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Tuesday, March 7, 2017

—

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Tuesday, March 7, 2017

The House met at 10 a.m.

Prayer

ROUTINE PROCEEDINGS

• (1005)

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8) I have the honour to table, in both official languages, the government's response to 10 petitions.

* * *

COMMITTEES OF THE HOUSE

NATURAL RESOURCES

Mr. James Maloney (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on Natural Resources entitled “The Future of Canada's Mining Sector: Sustainable Growth Beyond the Global Downturn”.

Mr. John Barlow (Foothills, CPC): Mr. Speaker, the Conservative members of the Standing Committee on Natural Resources feel that some parts of this report are lacking substance. There are recommendations in it based on testimony we did not hear, and it excludes any concern we heard from industry stakeholders and leaders relating to the Liberal carbon tax. As such, we are offering supplementary recommendations to the report and call on the Minister of Natural Resources to take action on our supplementary report.

* * *

[*Translation*]

CANADA ELECTIONS ACT

Mr. Rhéal Fortin (Rivière-du-Nord, BQ) moved for leave to introduce Bill C-340, An Act to amend the Canada Elections Act and to make a consequential amendment to another Act (political financing).

He said: Mr. Speaker, today I am pleased to introduce a bill to amend political party financing. This bill will help overcome the mistrust with which many people view politicians by reducing the often undue influence of major donors on the party in power. This bill will also make the votes cast by voters of all parties in all ridings more meaningful.

This fundamentally democratic bill is inspired by Quebec's Act to Govern the Financing of Political Parties, which was passed unanimously in Quebec. I hope this bill will have the support of all parties.

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

Ms. Marjolaine Boutin-Sweet: Mr. Speaker, there have been discussions among the parties. If you seek it, you will find consent for the following motion: That, at the conclusion of today's debate on the opposition motion in the name of the member for Rosemont—La Petite-Patrie, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred to Wednesday, March 8, at the expiry of the time provided for Government Orders.

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

Some hon. members: No.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1010)

[*Translation*]

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAX FAIRNESS

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP) moved:

Business of Supply

That, given the government loses tens of billions of dollars annually to tax loopholes, deductions, and exemptions that mostly benefit the wealthy and estimates suggest that tax evasion through the use of offshore tax havens costs the government more than \$7 billion dollars annually, the House call on the government to: (a) address tax measures that primarily benefit the wealthy, including keeping its promise to cap the stock option deduction loophole; and (b) take aggressive action to tackle tax havens including (i) tightening rules for shell companies, (ii) renegotiating tax treaties that let companies repatriate profits from tax havens to Canada tax-free, (iii) ending penalty-free amnesty deals for individuals suspected of tax evasion.

He said: Mr. Speaker, I would first like to inform you that I will be sharing my time with the always very diligent and meticulous member for Sherbrooke. It will be my pleasure to give him the floor on this fundamental issue. I do not think I have ever discussed an issue with such serious consequences on the state's ability to provide services to Canadians.

I think it is now fair to say that we no longer live in a fair and equitable tax environment that works well for our workers, those less fortunate, and the poorest families in our country.

Let us put things in context. We live in a society where every year we hear the same old story: by noon on January 2, CEOs of major Canadian companies have already earned as much in a little over 24 hours as an average worker will earn for the entire 365 days of the year. It is this type of inequitable society that the successive Conservative and Liberal governments have built over time.

Two billionaire Canadians have as much money as the poorest third of the population. Two people alone have the equivalent of what 12 million people have in our country. Are we supposed to just accept that and move on? The highest paid CEOs in Canada earn 193 times more than the average salary and the gap has only gotten bigger over the years.

A number of things explain this increased inequality. According to the Gini coefficient, which measures inequality, for a decade now, inequality has been growing at a much faster rate in Canada than in the United States, a society often considered to have greater inequality. Inequality is growing faster here than there. How did that happen? What caused this to happen? There are several reasons. In his book *Une escroquerie légalisée*, Alain Deneault provides a list of reasons that is impressive, but not comprehensive.

First, there was the reduction in federal corporate tax rates, which dropped from 37.8% in 1981 to only 15% in 2012. Next, the federal capital tax was eliminated. Then, the federal capital gains inclusion rate was cut from 75% to 50% in 2000. I will come back to that. We could also mention the sales tax and duty exemptions, and the fact that some companies can indefinitely defer payment of their taxes. Well, imagine that! Let us attempt to do the same with our T4 slips in just over a month's time, see how that goes. Let us not forget that some mining and oil and gas companies can be set up as non-taxable income trusts, and that tax rates for Canadian taxable assets owned by non-residents are declining.

This is not an exhaustive list, but it does show that over the years the trend has been to systematically favour big business and the wealthiest in our society to the detriment of those who receive a pay cheque every two weeks and are required to pay their taxes in order to receive, incidentally, fewer and fewer services.

One thing that is not on that list but is nevertheless a reality is the phenomenon of people sending money to tax havens to avoid paying their fair share of taxes here in Canada. Were that tax money collected, it could be used to provide social programs and social housing, improve public transit, provide care for the elderly, and help students take on less debt. We are losing billions of dollars because that money is being sent to a bunch of sunny tax havens. It is hard to put a number on exactly how much is being lost. It is kind of frightening.

What is more, the problem is exacerbated by all of Canada's bilateral tax treaties, such as the one we have had with Barbados since 1980. Since then, Canadian direct investments in Barbados have increased by 3600%. Canadian businesses and individuals sent \$130 billion to Barbados in 2011. Two years later, \$170 billion was sent to Barbados and hidden there. Why?

●(1015)

This happened because we foolishly agreed that, if people paid their taxes in Barbados and reported their earnings in Canada, they would no longer have to pay taxes in Canada. It is the principle of the avoidance of double taxation, under which people do not have to pay taxes on the same income in both countries.

There is just one small problem: in Canada, the corporate tax rate is 15% and the individual tax rate is approximately 25% or 30%, whereas in Barbados, the tax rate is 1% or 2%. Obviously, that is nothing. People are paying their taxes in Barbados and reporting the income here in Canada. It is completely legal. There is nothing that can be done about it. Billions of dollars are being lost every year. That is why the NDP's motion proposes that all of the bilateral tax treaties be reviewed and renegotiated. These treaties are obvious scams that are depriving us of necessary resources and giving gifts to those who do not need them. It is rather mind-boggling.

Canadian investors invest four times more in Barbados than in Brazil. Looking at total Canadian investments, twice as much is invested in about 10 tax havens than the total invested in China, India, and Brazil—growing countries where we need to be present.

All of these multinationals are profiting from crime. They are now responsible for 40% to 60% of international economic transactions, transactions that are taking place between the same companies and their subsidiaries. They are what is called shell companies or dummy corporations, and their sole purpose is to move money to a certain address via a certain country. They are also called PO box companies. They are empty shells that produce nothing, or are sometimes paid to manage a company's branding or logo. We have seen millions of dollars being paid to manage a logo. I would like to be able to do that.

Business of Supply

This has created totally absurd situations where all these dummy corporations, all these PO box companies, are often accommodated in the same place. I have one good example: in Georgetown, in the Cayman Islands, there is one building in which 18,000 companies are registered. In fact, the Cayman Islands have more registered companies than inhabitants, making their population the most entrepreneurial in the world. And the tax havens or shell companies do not exist only in the southern hemisphere. In Delaware, in the United States, the Corporation Trust Center houses no fewer than 250,000 companies on its premises. Now that is quite a number.

I have spoken a little about the tax havens, which make up a large part of the problem. Statistics Canada estimates them at \$7 billion or \$8 billion. The Conference Board of Canada says it is probably more like \$47 billion, while Canadians for Tax Fairness cites \$80 billion. The range is huge, but in any case it is a lot of money.

The other thing we would like to talk about is the Liberal promise to put an end to certain tax loopholes, particularly stock option deductions. This was a promise made during the election campaign that unfortunately has been totally forgotten.

All these tax loopholes were examined by the Canadian Centre for Policy Alternatives in November 2016. That study has some absolutely incredible things to tell us. When we add up all these deductions, all these tax loopholes and all these tax credits, the shortfall to the public purse comes to \$103 billion. Every year, about one hundred billion dollars eludes our coffers, money we could be using to care for our seniors, to treat our sick, and to have roads that make some sense. They examined 64 tax measures that constitute exemptions or deductions. Of those 64, only five are progressive; the other 59 are regressive. What does that mean? For a tax measure to be progressive, one assesses whether most of the benefit of the measure goes to the 50% poorest or the 50% wealthiest Canadians. Only five tax measures benefit the poorest, while the other 59 benefit the wealthiest. In certain cases, such as that of dividend tax credits, it is the wealthiest 10% who benefit, as much as 91% and 99%.

The Conservative and Liberal governments pulled off something absolutely incredible—they created a tax environment called Robin Hood in reverse. All of us together are going to chip in and subsidize the wealthiest.

• (1020)

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the number one priority of this government has been Canada's middle class and those aspiring to be a part of it. In the first budget, we saw a major shift in terms of the middle class tax cut and the Canada child benefit program. We saw it in the redistribution for our seniors with the 10% GIS increase. We saw it with the special tax of 1% on Canada's wealthiest. I would remind NDP members across the way that they voted against all of these measures. However, this is a substantial shift in addressing the issue of inequality, which the member has referenced.

More importantly, we recognize that this is an important issue that the member is talking about today, and we invested over \$400 million in the last budget to deal with it. This is why we will be supporting the motion. Does the member not agree that investing

over \$400 million to provide CRA the resources needed to get these tax evaders is encouraging? Maybe the NDP should have supported that particular initiative.

[*Translation*]

Mr. Alexandre Boulerice: Mr. Speaker, the Liberal government crows over its investment of \$444 million in the Canada Revenue Agency. No one has been arrested and no charges have been laid, however, so they cannot be said to have a good batting average, as we say in baseball.

In his mandate letter to the Minister of National Revenue, the Prime Minister wrote:

[*English*]

We have also committed to set a higher bar for openness and transparency in government.... Government and its information should be open by default. If we want Canadians to trust their government, we need a government that trusts Canadians.

[*Translation*]

One man wrote:

[*English*]

Now is the time for the prime minister to order the Canada Revenue Agency to get with the program and provide the Parliamentary Budget Officer with the required information, so Canadians will know the actual amount of taxes owed, but not collected, and what resources the CRA needs to collect those taxes. Only then will the CRA meet the standard of openness and transparency set by the prime minister.

This was written by a senator from Charlottetown.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Speaker, there is a \$7-billion figure in the member's proposal. Can he provide some backup on that figure?

[*Translation*]

Mr. Alexandre Boulerice: Mr. Speaker, I am pleased to report that Statistics Canada itself came up with the \$7-billion figure when estimating lost revenue due to tax evasion and the use of tax havens. It would be no problem for me to find out the year the report was published.

The problem with the figure provided by Statistics Canada is that employees are able to estimate the amount only when the companies or individuals tell them that they have sent money to tax havens and that money came back here after the transfer. They are not obligated to systematically report this to Statistics Canada. The result is that these estimates are based on data that has been voluntarily submitted.

This is why the Conference Board of Canada and Canadians for Tax Fairness quote numbers much higher than \$7 billion or \$8 billion.

We regard that figure as a minimum and believe the actual amount to be much higher.

Business of Supply

[English]

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, I understand that one of the problems is that, unlike the American government, the Canadian government actually refuses to charge any of these tax evaders and is simply working out a deal to recover the taxes that should have been paid. The problem with that is, if these tax evaders are not charged and convicted, then they can keep getting contracts with the government. Would the member like to speak to that?

• (1025)

[Translation]

Mr. Alexandre Boulerice: Mr. Speaker, indeed, the mess of the KPMG scheme, with some degree of complicity from the Canada Revenue Agency, is very worrying. The government is failing to take action.

In the United States, when someone is found guilty of tax evasion, the fine is from 20% to 27% interest on the amount owed to the government. In Canada, unfortunately, it is zero. That is not much of a deterrent.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I am happy to take the floor after my colleague from Rosemont—La Petite-Patrie. I thank him for tabling this motion which is extremely pertinent in the context of last week's revelations about the KPMG affair. That affair is coming back to haunt the Minister of National Revenue, who had quite a hard time defending herself yesterday in the House over settlements negotiated with tax evaders.

This issue is a priority for the NDP, which is fighting for greater equality and tax fairness. That is why we are debating this motion today. We hope all members of the House will support these measures, which can be taken immediately or in short order to resolve this major problem. I would like to discuss some of the solutions we are proposing to the government. It is my understanding that the government may support our motion, so I am optimistic about convincing it that these short-term measures are feasible. They will help reduce the inequality in our society.

We reserve our harshest criticism for the fact that we have a two-tier tax system. Not only is there an endless array of tax credits, deductions, and exemptions for businesses and the wealthy, but also, if ever the Canada Revenue Agency does catch up with them, they typically negotiate deals to pay back the money they owe to society at preferential interest rates while avoiding penalties and fines that could, at the very least, serve as a warning to others.

That is why Canadians are so outraged by what they have seen in the recent reports. It seems as though there is a two-tier system: one for wealthy taxpayers, multimillionaires and billionaires, and another for ordinary taxpayers. If the latter make a mistake, even acting in good faith, or if they fail to report income, the CRA is ruthless and does not hesitate to drag those taxpayers to court, people who may not have the means to defend themselves. Wealthy taxpayers, meanwhile, are offered amnesty deals. They are asked to pay the taxes they should have paid in the first place and are told that all will be forgotten. The slate is wiped clean moving forward for them, and yet, ordinary taxpayers are not given the same advantage.

Our motion comes at a time when international tax competition is becoming increasingly fierce. This competition is extremely harmful to tax bases all over the world. This problem is not unique to Canada. The problem of tax evasion and aggressive tax avoidance exists around the globe because of certain unscrupulous countries that are contributing to this highly competitive tax environment in which each country tries to have the lowest tax rates and give tax benefits to companies and wealthy taxpayers so that they will do business there.

Canada is no exception. In some ways, we play into this competitive tax environment. Many of the tax measures that are in place today are a product of that very environment. Canada grants benefits, deductions here and exemptions there. In the end, only the wealthiest members of our society benefit. If we talk to our neighbours, if we go door to door and ask average taxpayers if they are receiving deductions for dividends, tax credits, or capital gains exemptions, if we ask ordinary people about that, we see that they are not the ones benefitting from these credits. Only the upper class benefits from these measures, which are found within a framework that encourages Canada to compete in a way that is damaging in the long term. We may be making some gains here and there in the short term, but this approach is not productive in the long term because, if all of that money is left in the pockets of the rich, we are not able to provide quality services to Canadians.

• (1030)

Let us not forget that services are not free. As a society, we collectively decide to pool our resources to achieve our goals, in other words, provide high quality and affordable, even free, services to the entire population. That way, regardless of where a person comes from or their financial situation, they can obtain said services. Take health care, for example. We want health care to be provided to everyone, independently of their income. We want everyone to have access to an education without having to spend a fortune on it.

My philosophy is that we should pool our efforts and money to provide our fellow citizens with the best services at the best possible cost. Tax competition is causing us to lose more and more means to provide services. Governments are forced to cut more and more from services or increase prices, which is really unfortunate.

That is why we are focusing on a few solutions. Among other things, the government needs to tighten the rules around shell companies. How many shell companies are in tax havens that are actively part of this tax competition? How many shell companies are being used only to report profits offshore?

It is one of our society's biggest problems. Real economic activity takes place here, in Canada, or in other industrialized countries, where consumers live. The consumers are not in Barbados, but in Canada, the United States, and Europe. Even though the economic activity takes place in these countries, the profits are reported elsewhere, with different schemes that are increasingly complex. Over the years, the OECD and the government have worked together to address tax schemes. In our opinion, the profits should be reported where the economic activities take place.

Business of Supply

Accordingly, if the economic activities take place in Canada, then the Canadian subsidiary must pay its taxes in Canada. That is currently not the case. That is why the motion mentions shell companies. We must tighten the rules for these companies. There is work being done on this. We have to tighten the rules in order to ensure that companies report their profits where the economic activity really takes place and not in countries where taxes are low.

Tax treaties are another issue. Since my colleague has talked about this, I will not go on at length about the subject. In some cases, tax treaties have legalized non-taxation. The goal was to do something good by not taxing the same income twice. For example, if a Canadian company does business in the United States through an American subsidiary and the subsidiary pays taxes at a higher rate than in Canada and then repatriates its profits for its Canadian shareholders, obviously that will not be taxed twice; we are not crazy.

However, double taxation agreements have been signed with countries that have a low or non-existent tax rate; Barbados is the best example of this. There is a good reason why billions of dollars in foreign investment are finding their way to Barbados. Barbados is second on the list of countries where Canada makes the most foreign investments. As I said earlier, that is certainly not where the consumers are, and that is not where real business is being done. That is where the profits are reported, and that is where billions of dollars are sent every year. In Barbados, the tax rate is between 0.25% and 2%. Canada and Barbados have a double taxation agreement. My colleague provided more details on this subject a little earlier.

We are asking that the government examine this question, to ensure that double taxation agreements are not being abused. In this case, there has certainly been abuse.

We must make every effort to create something that is not a two-tier system. This is a major problem that Canadians condemn. In the KPMG case, agreements were signed and settlements negotiated. It was told that its slate would be wiped clean if it paid the tax owed. It was decided that all would be forgotten.

It is not too late for the government to file criminal charges in the case of KPMG, which facilitates tax evasion and aggressive tax avoidance, and against the clients who participated in this scheme. In fact, that is what I asked the Minister of National Revenue to do, yesterday. That would allow for exemplary sentences to be imposed, and it would show others what happens when you engage in tax evasion. We hope that will mean we can put an end to this scourge in our society.

• (1035)

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member across the way said that the NDP is fighting for tax fairness. This is something, as I indicated in my first question, which we have made a high priority. In fact, I would suggest we made it the number one priority for Canada's middle class and those aspiring to be a part of the middle class. We saw that through a number of policy initiatives by this government.

Having said that, we also want to recognize that over \$400 million was allocated under last year's budget to ensure that we go after the individuals who are trying to fraudulently avoid having to pay their fair share of taxes. Would the member not, at the very least, acknowledge that a part of dealing with this issue is investing resources for the Canada Revenue Agency, something this government has done in a very tangible way, and that doing that is a great step forward? Yes, we could always do better, and we will continue to move in that direction, but would he not agree that the over \$400 million was a good investment to try to ensure there is even more tax fairness in Canada?

[Translation]

Mr. Pierre-Luc Dusseault: Mr. Speaker, I thank my colleague for his question.

We completely support additional investments. During the Conservatives' term in office, we asked that they reinvest in the Canada Revenue Agency. We made very frequent requests for hiring more auditors. Unfortunately, the Conservatives reduced investment instead. Fortunately, \$444 million has now been invested. For the moment, my colleague is the very person who tables the government's answers to questions on the Order Paper. If I look at the recent figures we have, dated today, with the new international investigations branch that was created on April 1, 2006, 56 investigations have been opened, but none has yet been sent to the Public Prosecution Service of Canada. We have therefore seen no results.

If we take the case of the Panama Papers, more than 397 individuals had been identified on the date when my question was answered, including 50 companies and 80 individuals. How many of those cases were referred to the criminal investigations program, the step before prosecutions? None. This is not moving fast enough. Canadians are outraged by this situation, and the government keeps saying that it is investing money. However, we are not seeing any results. It is all very well to keep up the fine talk, as the minister has done with her pink cards, but if there are no results at the end of the line and if no white-collar criminals are convicted in the Canadian courts or in the criminal courts, these are not positive outcomes.

I support these additional investments, but I am anxious to see concrete results and people who are actually in handcuffs for tax fraud and tax evasion. That is not what we have seen, however, and it is not what we are seeing. I hope it comes to pass.

[English]

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Speaker, the motion calls for renegotiating tax treaties. Would the hon. member be able to tell us which treaties he is referring to in the motion?

Business of Supply

[Translation]

Mr. Pierre-Luc Dusseault: Mr. Speaker, I am happy to answer that question. I alluded to it in my speech. The tax treaties are double taxation treaties, among others. The most telling example, which was even raised by the Bloc Québécois in the past, was the one signed with Barbados in the 1980s, under a certain Minister of Finance, Mr. Martin—I do not know whether that tells you something—who perhaps had interests, even personal interests, at the time this double taxation agreement was signed, because he himself had companies in the country with which the treaty was signed, namely Barbados.

That is the classic case, the most telling example, where we have a double taxation treaty with a country that has a low or non-existent tax rate. That is the major problem. That is why, in the recent debate on double taxation concerning the Canada and Taiwan Territories Tax Arrangement and the Convention between Canada and the State of Israel, which have been renewed, I implored the government to monitor our double taxation conventions very closely, to assess whether the tax rates in the countries concerned were reasonable and whether they would allow Canadians to see that everything was as fair as it should be and that these conventions being signed with many other countries were not being abused. There are over 90 treaties at present. I gave the example of the convention with Barbados; it is high time that we terminated that convention, which is being abused, and look to see whether there are others being abused and terminate them.

• (1040)

Hon. Ginette Petitpas Taylor (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, first of all, I would like to thank my colleague from Rosemont—La Petite-Patrie for moving this motion today.

I am pleased to address the issue raised by the hon. member for Rosemont—La Petite-Patrie. I would like to state unequivocally that the Government of Canada is committed to ensuring that the tax system is fair to the middle class. We believe that Canadians must pay their fair share of taxes. That is why, after our government came into office in fall 2015, one of our first actions was to increase taxes for the wealthiest Canadians in order to reduce taxes for the middle class.

Specifically, the government reduced the second personal income tax rate to 20.5% from 22%. In addition, only those individuals earning the highest incomes in Canada, or the richest 1%, should pay more taxes after the introduction of the new 33% tax rate for individuals earning over \$200,000. Since January 1, 2016, nearly nine million Canadians have seen more money in their pockets as a result of the middle-class tax cut. Not only was this a good thing to do, but it was also the intelligent thing to do for our economy.

The tax cut for the middle class and the measures that go with it have helped make the tax system fairer to ensure that Canadians can succeed and prosper in their lives. Single individuals who benefit from the reduced second personal income tax rate will see an average tax reduction of \$330 per year, while couples will see an average tax reduction of \$540 per year.

At the same time, the government returned the tax-free savings account, or TFSA, annual contribution limit to \$5,500 from \$10,000, effective January 1, 2016. Returning the TFSA annual contribution

limit to \$5,500 was in line with the government's objective of making the tax system fairer and helping those who need it the most.

When other registered savings plans are taken into account, the \$5,500 contribution limit will enable most taxpayers to meet their ongoing savings needs in a tax-efficient manner. Furthermore, indexation of the TFSA annual contribution limit was reinstated so that the amount will retain its real value over time.

We have also taken action to improve the child benefit that Canadians receive. In our 2016 budget, we implemented the Canada child benefit, which is completely tax-free, in addition to being simpler and more generous than the old benefit system it replaced.

It also does a better job than the previous system of targeting the people who most need it. I firmly believe that the many parents who receive this greatly needed assistance agree with me. Thanks to the introduction of a much better-targeted Canada child benefit, about 300,000 fewer children will be living in poverty in 2017, as compared to 2014. This represents a nearly 40% drop in the child poverty rate since 2014.

Since the Canada child benefit was introduced in July 2016, nine out of ten families are now receiving more money than they did under the previous system, or nearly \$2,300 more on average in 2016-17. Parents with children under 18 will receive annually up to \$6,400 more per child under age 6 and \$5,400 more per child aged 6 to 17.

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 Canada child benefit helps parents cover the high cost of raising their children.

• (1045)

[English]

As announced in budget 2016, the government is currently conducting a comprehensive review of the federal tax expenditures. It is doing so in recognition of concerns that have been expressed regarding the efficiency, fairness, and complexity of the tax system. The objective of this review is to ensure that federal tax expenditures are fair for Canadians, efficient, and fiscally responsible for all. External experts have been engaged to provide advice to the Department of Finance. This approach ensures the review is informed by a range of perspectives.

I can assure all hon. members that the government remains committed to ensuring federal tax expenditures are doing what they are meant to do and that they are doing it to help middle-class Canadians. In addition, the government is committed to strengthening efforts to combat international tax evasion and avoidance, and we have taken, and will continue to take, this important step and actions to do so.

Business of Supply

These efforts help protect the revenues base and give Canadians greater confidence that the system is fair for everyone. Canadians work hard for their money, and the majority of Canadians pay their fair share of taxes. However, some wealthy individuals participate in complex tax schemes to avoid paying their fair share of taxes. This is unacceptable, and it needs to change.

The Government of Canada is working hard to crack down on offshore tax evasion and aggressive tax avoidance in order to ensure a tax system that is fair and responsive for all Canadians. In budget 2016, we invested \$444 million over five years for the Canada Revenue Agency, better known as the CRA, to crack down on international tax evasion and combat tax avoidance.

These investments by the government are enabling the CRA to hire additional auditors, develop robust business intelligence infrastructure, increase verification activities, and improve the quality of its investigative work. These new investments to support the CRA's effort to crack down on tax evasion and combat tax avoidance are expected to generate around \$2.6 billion in taxes over the next five years.

In April 2016, the offshore compliance advisory committee was created to advise the Minister of National Revenue and the CRA on strategies to combat offshore tax evasion and avoidance. However, we also recognize that assessing tax revenues alone is not enough. Once we do an assessment, we need to be able to collect the unpaid amounts. That is why budget 2016 invests an additional \$351.6 million over five years to improve CRA's ability to collect these outstanding tax debts.

Canada has been a very active participant in international efforts to address tax evasion. Canada is an active member of the Global Forum which was established to ensure that high standards of transparency and exchange of information for tax purposes are in place around the world. Canada has developed an extensive network of bilateral tax treaties and tax information exchange agreements which provide for the exchange of information that could be extremely critical in investigation processes.

Another international development with regard to addressing tax evasion is the new common reporting standard developed by the OECD and endorsed by the G20 leaders. The standard provides a framework under which information on financial accounts in a country held by non-residents will be automatically shared with tax authorities of the jurisdiction in which the account holder is a resident. Legislation has now been adopted to implement the common reporting standard in Canada, starting July 1, 2017, joining more than 100 other countries.

With our partners in the G20 and the OECD, Canada has been an active participant in the multilateral project to address base erosion and profit shifting, BEPS. BEPS refers to aggressive international tax-planning arrangements undertaken by some multinational enterprises to inappropriately minimize their taxes. Budget 2016 announced a series of actions Canada is taking to implement recommendations from the BEPS project.

• (1050)

First, Canada has enacted new legislation to require country-by-country reporting for large multinational enterprises. Second, the

CRA is applying revised international guidance on transfer pricing. Third, we participated in international work that developed a multilateral instrument to streamline the implementation of treaty-related BEPS recommendations, including addressing treaty abuse. Finally, the CRA is undertaking a spontaneous exchange with other jurisdictions of certain tax rulings.

Going forward, the government will continue to work with the international community to ensure a coherent and consistent response to the BEPS. The government is also taking action in other areas to protect the integrity of Canada's international tax rules. In particular, budget 2016 introduced measures to extend the application of the income tax back-to-back loan rule to royalty arrangements, and to prevent unintended tax-free cross-border distributions of capital to non-residents.

The government has also agreed to strong standards in support of corporate transparency in both the Financial Action Task Force and the Global Forum on Transparency and Exchange of Information for Tax Purposes.

I would like to point out that the proceeds of crime—also known as money laundering—and terrorist financing regulations include requirements for the collection of information on beneficial owners of corporations. Furthermore, the government recently took action to enhance corporate transparency by prohibiting the use of bearer shares.

[*Translation*]

I would now like to draw attention to some of the government's investments that provide a great many Canadians with more equitable opportunities for success.

Last June, the government reached a historic agreement with the provincial governments to improve the Canada pension plan. This agreement followed a review conducted by the Department of Finance to determine whether families approaching retirement were adequately prepared for retirement.

Finance department officials found that around one in four families approaching retirement, namely 1.1 million families, may not save enough to maintain their current standard of living. This is very troubling. Middle-income families are the most at risk. Families with no workplace pension plans are at an even greater risk of not saving enough for retirement. In fact, a third of those families are at risk.

The government is aware of the need to help Canadians invest more. Armed with a higher level of savings, they would be able to more confidently envision their future and their ability to enjoy their retirement years with dignity.

Our government is particularly concerned about the situation of young Canadians, who are likely to be more exposed to market risks and, in most cases, will live longer than previous generations. Young people are faced with the challenge of trying to save enough money for retirement at a time when fewer of them can expect jobs that come with a workplace pension plan.

Business of Supply

In short, the actions that our government has taken reflect our commitment to helping the middle class and those working very hard to join it.

In this context, the government firmly believes that the best way to increase prosperity for more Canadians is to invest in today's economy. This is why the government has made targeted investments totalling \$50.2 billion over six years as part of budget 2016. These investments will ensure stronger growth right now and increase the long-term growth potential of the Canadian economy.

We have forged ahead in the knowledge that when Canadians achieve their full potential they can build a better life for themselves, their families, and entire communities. In doing so, they are building a better and stronger Canada for current and future generations.

• (1055)

[English]

As Canada's population ages, our prosperity will increasingly depend on young Canadians getting the education and training they need to prepare them for the jobs of today and tomorrow. That is why, in budget 2016, we increased the Canada student grant amounts for students from low- and middle-income families, as well as part-time students. As a result, more than 360,000 students across Canada will receive more assistance to pursue their education.

We are also working with provinces and territories to expand eligibility for Canada student grants, so that even more students can receive non-repayable assistance.

What is more, under the youth employment strategy, the government invests more than \$330 million each year to help young people gain the skills and experience they require to find jobs. Our government has taken action to build on this investment and strengthen the youth employment strategy with an additional investment of \$165.4 million in 2016 and 2017. These investments will increase the number of youth who can access the skills link program, which helps young Canadians overcome barriers to employment. It will also create new green jobs for youth and help support employment opportunities in the heritage sector.

Canadians are among the most highly educated people in the world, placing at the top of all members of the Organisation for Economic Co-operation and Development for post-secondary education attainment. More than half of Canadian adults have a post-secondary degree.

We are world renowned for scientific research and discovery, and we can often be found on the cutting edge of clean technologies emerging right now on the world stage.

We have an abundance of natural resources, outmatched only by our greatest resource, and that is our people.

I hope I have made it clear that we are making effective, targeted investments that continue to unleash their full potential and, in turn, Canada's full potential.

We will continue to build on our success in budget 2017.

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, although I thank my colleague for her remarks, I am very

disappointed that she spent three-quarters of her time talking about things other than what is in the motion being debated today in the House. It is really very disappointing. She did not even respond to the three measures in the motion, which are specific courses of action the government can take. She simply took the cards of the Minister of National Revenue and again mentioned the \$444 million; those are fine words. What we have heard from the government on our motion is clearly not enough.

Canadians are asking for action and, above all, for results. The figures I presented earlier and what we hear in the media reports clearly show that the results are not there. There are no results in the fight against tax evasion and there are no exemplary penalties imposed on fraudsters who decide to avoid paying their fair share.

Can my colleague at least commit to some of the measures in our motion that will allow us to fight more actively? Can she also tell us that criminal prosecution will come soon in the KPMG case and that some people will be in prison as soon as possible?

Hon. Ginette Petitpas Taylor: Mr. Speaker, once again, I thank my colleague for his question.

As I said, our government recognizes that all Canadians must pay their fair share of taxes. Indeed, the vast majority of Canadians do pay their fair share of taxes. For those who do not, we need to make sure that we finally have a system in place to fix the problem.

The government invested \$444 million to make sure those investigations happen. We want to make sure the department in charge has the tools it needs to do the work that has to be done because it will be doing those investigations.

• (1100)

[English]

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, I too am frustrated that the member has not in any way addressed what the critical issues are before the House today.

I raised this question earlier, and I would like to put it to the hon. member. The government essentially has two choices. One is that it can toughen up the government procurement rules so that it would not have to actually achieve a conviction for tax evasion, a criminal offence, so it could ban those who undertake serious tax evasion from further procurement or contracts with the government. The other is that the government could get serious and start charging people and getting convictions.

Why is the government letting Canadians who are hiding hundreds of millions of dollars from Canadians get away with that? That money could go toward aboriginal children, it could go toward providing child care, or it could go to reducing taxes for ordinary Canadians.

Why is the government not taking either of those two measures? Would my colleague consider doing so?

Business of Supply

Hon. Ginette Petitpas Taylor: Mr. Speaker, as indicated, our government believes that all Canadians must pay their fair share of taxes, and once again, we recognize that most Canadians already do so. The investments we have made in budget 2016 include \$444 million to actually provide the department and the staff with the tools they need to do the proper investigations. Investigations of this nature are very complex, and we recognize that there is a lot of sharing of information and processes that need to be put in place. We need to make sure we are working with our provincial partners, our national partners, and our international partners to make sure we can get the job done, because we want to crack down on this issue.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Speaker, the motion called for, “ending penalty-free amnesty deals for individuals suspected of tax evasion”. Will the government support this part of the motion or not?

Hon. Ginette Petitpas Taylor: Mr. Speaker, as I believe I indicated at the beginning of my presentation, the government is prepared to support this motion, and we are very pleased that the member opposite has put this motion forward.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I appreciate the comments that have been made by the Parliamentary Secretary to the Minister of Finance. Maybe we could just get her to provide a comment on more of an overview. When we look at last year's budget and what it was able to accomplish, it is very easy to draw the conclusion that this is a government that is all about tax fairness, whether it is a special tax that has been assigned to Canada's wealthiest, a tax break that has been given to the middle class, or in fact the \$444 million to which the member has made reference in terms of trying to get to the core issues dealing with tax evasion. However, if we look at it from a holistic approach, we see the government is in fact moving forward on a number of files, including tax evasion.

Hon. Ginette Petitpas Taylor: Absolutely, Mr. Speaker, I agree completely with the question and the premise of the question. Our government has made a commitment to Canadians that middle-class Canadians and those working hard to join them are our priority, and we are going to continue to make them our priority. In budget 2016, we saw some clear programs that illustrated our support for middle-class Canadians.

The first of those programs, as I mentioned in my speech earlier today, was the reduction of taxes for middle-class Canadians from 22% to 20.5%. It allowed many Canadians to have more money in their pockets, to spend more money, and to invest into the economy and again to stimulate that economy.

The other program that I am very proud of, as well, is the historic investment we have made with the Canada child benefit program. The Canada child benefit program has lifted hundreds of thousands of children out of poverty, and it has made a clear difference in the lives of many Canadian families.

When it comes to our seniors, we have made again some significant investments to help the lives of our seniors. That is another measure that we took to help the middle class.

Finally with respect to the amount of money we have put in place with respect to the bill that is before us, the \$444 million that has

been put in place to help address the issue of tax evasion, we want to make sure Canadians are paying their fair share of taxes. That being said, as I have said time and again, most Canadians are paying their fair share of taxes; but for the ones who are not, we certainly want to make sure we have the processes in place to get the job done and also that those individuals can be prosecuted and receive the appropriate penalties.

• (1105)

Ms. Jenny Kwan (Vancouver East, NDP): Mr. Speaker, I would like to ask the member this question. In 2011 and 2015, in fact in the Liberal platform, the Liberals promised that they would close the stock option loopholes. After the election, of course, the Minister of Finance was asked about whether he would proceed with this plan, and he said it is not on the agenda. I would like the member to answer this question. Why is it not on the agenda after the Liberals promised that to Canadians?

Hon. Ginette Petitpas Taylor: Mr. Speaker, once again, our platform in 2015 is based on a four-year commitment. We have just finished budget 2016, budget 2017 is going to be announced within the next little while, and then we have budgets 2018 and 2019. Again, we have four years to roll out our platform, and we are going to do so.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, everyday working people or small-business owners who pay their taxes late pay interest and penalties. The tax collector chases them. They can even be criminally charged. However, if people are part of the 1%, the government chooses to protect them. If they break the rules, they can even avoid a fine by negotiating a deal with the government.

Would the member end penalty-free amnesty deals, as we have seen, for individuals suspected of tax evasion? We have not seen action from the government. In fact, the government is choosing to uphold loopholes for the rich instead of closing them. Direct action on this issue would be closing tax loopholes for the rich, these tax agreements that are in place, which are legal, and going after people who are actually breaking the rules on the backs of everyday Canadians.

Hon. Ginette Petitpas Taylor: Mr. Speaker, I would particularly like to remind the member opposite that we were the government that taxed the 1%, and the party opposite voted against that. I felt that I had to, first of all, say that.

With respect to the investments our party has made, we have made investments to help the CRA properly conduct the investigations that need to be done. These investigations are extremely complex, and we want to make sure that they are done appropriately. That is why I am very pleased that in budget 2016, money was put forward, because we want to ensure that we do those investigations and that we do them in an efficient and effective manner.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Mr. Speaker, I will be sharing my time with the fine member of Parliament for Edmonton Manning, who, I am told, will be far more eloquent and on point.

Business of Supply

I am pleased to rise today to speak on the motion presented by the hon. member for Rosemont—La Petite-Patrie regarding taxation. I will be voting to oppose this motion. I will say that I would have preferred to support it and vote for it, as many of the principles it speaks to I support. I must also point out that the Conservative Party of Canada believes strongly in keeping taxes low, much as it also believes in ensuring that all corporations and Canadians need to pay their fair share of tax.

While this motion rightly seeks to reduce offshore tax evasion, it avoids one of the root causes of the problem, and that is too many taxes. We know that high taxes drive businesses out of the country and dampen Canada's entrepreneurial spirit. We know that high taxes hurt job creation by making it more difficult to start and run a business. We know that high taxes hurt Canadian families that are trying to build a brighter future for their children.

If we want to stop driving families and businesses out of this great country, we need to start by lowering taxes to make Canada more welcoming to them, yet it would seem that the government is doing precisely the opposite. Instead of looking at ways to foster entrepreneurship and business growth, the government is desperately looking for new ways to bring in more money to pay for its reckless and irresponsible spending. We have seen a report from Bloomberg pointing out that business investment in this country has fallen to the lowest level since 1981, and, depending on the statistics, we have seen low grades of investment since World War II. Therefore, this is an issue.

The government has failed to follow through on its promise to cut taxes for small businesses. Next it rolled back important tax cuts for Canadians, including the popular fitness and children's arts tax credits. Recently it started looking at whether to tax health and dental benefits. It is clear that the government just does not get it. It plans to make life more expensive for Canadians.

The Conservative Party will fight to make life more affordable, not less. When the Conservative government was in power, it was Prime Minister Stephen Harper who fought to do exactly that. Conservatives understood the value of low taxes and the importance of fighting tax evasion. A pragmatic and balanced policy would achieve both goals. For example, in economic action plan 2013, the Conservative government introduced a number of measures designed to deal with tax evasion, including requiring financial intermediaries, including banks, to report international electronic fund transfers of \$10,000 or more to the CRA; extending the normal reassessment period by three years for taxpayers who have failed to report income from a specified foreign property on their annual income tax returns and have failed to properly file the foreign income verification statement; revising form T1135 reporting to provide more detailed information, including the names of specific foreign institutions and countries where offshore assets are located and the foreign income earned on those assets; and streamlining the process for the Canada Revenue Agency to obtain information concerning unnamed persons from third parties, such as banks.

Conservatives also launched the international tax evasion program aimed at reducing international tax evasion and avoidance. Under this program, the CRA would pay rewards to individuals with knowledge of major international tax non-compliance when they provided information to the CRA that led to the collection of

outstanding taxes due. This program helped target high-income taxpayers attempting to evade or avoid tax using complex international arrangements.

Economic action plan 2015 built on these measures and announced an additional \$25.3 million over five years to expand its activities to combat international tax evasion, and \$58.2 million over five years to specifically deal with large and complex business entities that were undertaking tax evasion. I would note that the Parliamentary Secretary to the Minister of Finance has mentioned some of the investments the government makes, which shows that there are progressive efforts to curb tax evasion in this country.

• (1110)

These measures help make sure that every Canadian pays their fair share. In fact, between 2006 and 2015, the Conservative government aggressively moved to close more than 85 tax loopholes. Closing these loopholes amounted to billions of dollars saved annually. That meant lower taxes for all Canadians, not just a select few.

It is not just us who believe that these measures have helped. In the fall of 2013, when the Auditor General conducted a review of offshore banking, it was concluded that CRA was diligent and that the new measures were helping. Our plan worked on this very issue and is continuing to help CRA crack down on tax evaders. We will continue to advocate that the Liberal government consistently review how it can best address the problem.

Beyond taking direct action to combat international tax evasion, the Conservative Party also took steps to encourage new investment to come to Canada by building a tax-friendly environment for businesses. Conservatives understand that we need to be tough on tax cheaters while also making sure that our tax system is not driving people away. That is why we introduced a number of measures that reduced the overall tax burden in Canada to its lowest level in 50 years. In fact, the Conservative government cut taxes more than 180 times. That is because we do not simply say we will do something; we follow through with those commitments we make to Canadians.

Business of Supply

Our record on taxes is clear. We lowered the federal corporate income tax rate to 15% to help create jobs and economic growth for Canadian communities. We lowered the small business tax rate. We introduced a small business job credit, which lowered payroll taxes by 15% for small businesses. We also cut the red tape burden for businesses, which eliminated more than 800,000 payroll deduction remittances to CRA made every year by over 50,000 small businesses.

All these measures and more led Bloomberg to rank Canada the second most attractive country in the world in which to start and grow a business. In fact, across the G7, Canada had the lowest overall tax rate on new business investment. By cracking down on tax evaders and lowering taxes and tax burdens for businesses, the Conservative Party introduced the kind of balanced approach needed to foster a fair and friendly system.

It is important to note that the NDP voted against every single small business tax cut we introduced between 2006 and 2015. I ask my hon. colleague why he does not put forward a motion that both targets tax evasion and lowers the tax burden for Canadian businesses. That is the sort of policy I want to see from the government: a pragmatic, balanced approach that will lower taxes rather than raise them and that will continue to build on the strong work done by the previous government to crack down on tax evasion.

It is critically important that we target Canadian tax evaders, absolutely. Certainly, I believe that all members in this place would agree on the importance of cracking down on international tax evasion. However, we must also fight to lower taxes to help spur job creation and economic growth and to keep Canada competitive with other jurisdictions. By doing this, we will save money for the Canadian taxpayer and work to make Canada the best place in the world to start and grow a business.

There are so many things we can do to make us more competitive so that business investment comes into this great country, such as interprovincial trade and lowering our regulatory burden, things that down south, the new administration is currently looking to do.

While I appreciate where the NDP members are coming from on this, I am sure that they would understand where I am coming from. Again, this is a fine country. I welcome debate on any topic a member of Parliament believes needs to be heard. We need to do more in the area of lowering taxes, coupled with the efforts we continue on tax evasion, so that overall, we can bring more prosperity to this country and curb illegal activities.

• (1115)

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, both the member from rural British Columbia and I have seen wealth start in rural communities and leave rural communities. It cannot be more evident than in my riding right now in Port Alberni where a mill just closed down. Another mill is down to one shift from six. Raw log exports are leaving our communities. Our fish are on a steep decline because we have not invested in salmon protection, salmon restoration and salmon enhancement. Under the hon. member's government, we saw declines in those investments.

Maybe the member could talk to us about how his government tackled tax loopholes. During his time in government, child poverty

in my community went up. One-third of the children living in my community are living in poverty.

Under the Conservative government, taxes left our country through tax havens, and went from \$45.5 billion in 2011 to \$108.3 billion in 2015. They more than doubled in less than five years under his government.

The member talks about taxes going lower. How much lower does he want to them go, 1% to 2% like those in Barbados? If that is the case, we will be in an even worse situation. When we listen to people in my community, I do not think it could get worse. People believe it is unfair.

Maybe the member could talk about whether he supports tax havens to Barbados, supports the doubling of taxes leaving our country. Maybe he could talk to coastal British Columbians and ask them if they think it is fair.

Mr. Dan Albas: Mr. Speaker, I understand the member's concerns for his community. We are all concerned about our communities. The question is, how do we proceed in a fair and practical way? With respect to the previous government, when we look at the Auditor General's report on offshore banking, it said that new methods had been developed and were put to test with a Liechtenstein list, which was given to it, and they performed well. That is available for all members of Parliament to see.

Will I be able to address every one of his concerns? No. Our job is to continually ask the question. Is this a fair and practical way to solve tax evasion? Discussing it here today is a good thing. However, the New Democrats continue to say that illegal things happen. Yes, there will be illegal things. However, under what tools do we rein them in? They may have the sentiments, they may have the concerns, but I have not seen solid proposals from the New Democrats. All they say is that it is not enough, and maybe that is true, but I am a big believer in the old saying that any fool can criticize, and often does.

Maybe the New Democrats should start proposing concrete methods that are both fair and practical, and maybe we will support those measures.

• (1120)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, tax fairness, which includes issues such as tax evasion, is very important to this government. It is indeed a priority. It is part of the commitment we made to Canadians in supporting our middle class and those aspiring to be a part of it. It is important that we come up with some tangible issues and ways in which we deal with it.

Business of Supply

I make reference to what has taken place in the budget of 2016, which reinforces our priorities for Canadians, being tax fairness. I want to highlight a couple of specifics. For example, we have implemented and enhanced reporting standards, which are endorsed by the G20 leaders, that will help close tax loopholes. We have signed tax treaties with other jurisdictions, which help provide information to crack down on tax cheats worldwide.

The member wants balance, and that is what this government is delivering, balance on the very important issue of tax fairness.

Would the member not acknowledge that in good part, a good, sound, government policy would in fact recognize that we need to have good taxation policies, which includes tax avoidance? We have delivered on that in tangible policy ideas and money, the \$444 million that have been allocated to fight it.

Mr. Dan Albas: Mr. Speaker, I would appreciate it if the member would remember my speech. I did say the current government had taken a lot of action that was built off the previous government. I would encourage that those things continue to be examined by parliamentary committees to ensure they are being done properly.

It is one thing to announce money and resources; it is another thing to see. Like we saw in 2013, the Auditor General reviewed the program and said that good work was being done.

I want to go back to the previous member. I criticized saying maybe the NDP needed to put forward solid proposals. There are some in the motion, such as addressing tax measures that probably benefit the wealthy, including its promise to cap the stock options deduction loophole.

I have consulted with tech companies in my region. They are quite concerned because stock options are a great way for start-up companies to get high-quality people so they can create companies in which Canadians want to invest.

I do not necessarily believe in those kinds of solutions, but I appreciate the fact that the NDP has proposed options, and we will continue to debate them in this place.

Mr. Ziad Aboultaif (Edmonton Manning, CPC): Mr. Speaker, no one stands more firmly against tax evasion than the Conservative Party of Canada. We believe all taxpayers should pay what they owe in taxes, and there should be no special treatment.

The Conservative Party believes in keeping taxes low for all Canadians, but we also believe in ensuring that all corporations and individuals pay their fair share of tax. We are committed to lower taxes for all Canadians, not just a select few.

The previous Conservative government had a strong record of standing up to international tax avoidance. To enhance the integrity of the tax system, the Conservatives created the stop international tax evasion program, aimed at reducing international tax evasion and avoidance. We remain committed to addressing the issue of international tax evasion and avoidance and will continue to advocate for Canadian taxpayers.

Under the leadership of Prime Minister Harper, the government moved aggressively to close more than 85 tax loopholes, which saved the government and the taxpayers of Canada billions of dollars annually. However, I do have some concerns about the motion,

which does not seem to take into account the structure of our tax system.

I think that it is offensive to Canadian taxpayers to suggest that those who take advantage of legitimate deductions and exemptions should be lumped in with those who are evading taxes by hiding money offshore. Certainly, those people who are able to claim, for example, the children's fitness tax credit or the arts tax credit, which were cancelled by the current government, were only trying to do what was best for their families. They used the deductions allowed them by law. I can only conclude that the hon. member who sponsored this motion does not understand that tax deductions are available to all Canadians. They are part of making the taxation system fair for all. They are not something offered to benefit the ultra wealthy.

No one disputes that tax evasion is a problem, whether it is \$7 billion annually or \$70 billion, but the hon. member cannot say for certain, as the number is only an educated guess. However, it is important to remember that we in the House are responsible for the laws and regulations of the taxation system. If there are loopholes, deductions, and exemptions, we have only ourselves to blame. It is not fair to blame the taxpayer for taking advantage of what they are legally entitled to, and I stress the word "legally" in this matter.

By all means, we should prosecute those who are breaking the law by avoiding paying taxes. However, given the spending habits of the current government, I applaud those who use legal means to keep money in their own pockets rather than hand it over to a pack of fiscally irresponsible spendthrifts who do not seem to understand that tax money is not theirs but given to them by Canadians in trust. Taxpayers expect and deserve wise stewardship from politicians, not \$800,000 office renovations. No wonder people resent having to pay taxes when they see things like that happening.

The motion calls on the government to address tax measures that primarily benefit the wealthy, which seems reasonable enough. After all, we all know who the wealthy are. They are anyone who has more money than I do. That they may have earned their money through hard work and innovation would seem to be irrelevant. It is assumed by some that those they consider wealthy should be paying more, even though we talk about treating all taxpayers fairly and equally.

● (1125)

Perhaps a case can be made that those who have more should pay more, but I do not see the case being made in this motion. Indeed, we already have different tax brackets in Canada. The wealthy are already paying more. Therefore, exactly what measures does the motion address? We are left to speculate.

Business of Supply

The government is also told that it should take aggressive action to tackle tax havens. The how and why is left to the imagination. I believe that if we have a fair taxation system, there will not be the same incentive there is now for those who know how to shelter their money offshore. When people do not believe the taxation system is fair, when people do not believe the government spends tax revenue wisely, it is very tempting to look for ways to keep their money out of the hands of the taxman. What we need is a government that understands that budgets do not balance themselves, a government that does not pile things like a carbon tax on hard-working Canadians.

The motion calls on the government to tighten rules for shell companies. Once again, there is no definition to be found here. It is assumed we are in agreement that shell companies need additional rules and regulations, but there is no rationale set forth in the motion. We have to take the hon. member's word that this is a problem. I do not see any suggestion of illegality here, just a call for something to be done.

The government is also told to renegotiate tax treaties that let companies repatriate profits from tax havens to Canada tax-free.

I do not think I was in the House when those treaties were approved by Parliament, but I cannot say for certain as the motion does not say which treaties should be renegotiated. I can only assume the government is supposed to know these things, perhaps through mind reading. Nor do I know why the treaties were negotiated to allow tax-free profit taking. There was probably a good reason at that time. The House can of course change its mind if it feels a mistake was made in the past.

What I do know is that renegotiating treaties carries certain risks. There has been a lot of publicity recently about politicians who want to renegotiate certain treaties. The implication is that there are winners in such negotiations and there are losers. There is not always equal treatment. If we ask to reopen a treaty, while Canada may have a certain goal in mind, that goal may not be shared by the other country or countries. We might find, after renegotiation, that there is less benefit to Canada than there is now. However, I am only speculating as there are no details here. We are just supposed to know what the bad deals are.

I understand why people are in favour of dropping the penalty-free amnesty deals for people suspected of tax evasion. Canadians are naturally upset when they hear someone has managed to avoid being penalized for tax evasion. It does not seem fair somehow. I suspect the hon. member who brought this motion forward had a particular highly-publicized case in mind.

The Canada Revenue Agency operates independently, free of political interference. This sounds to me like we politicians are trying to tell it how to do its job, when we may not know the details of what and why it does something.

As I understand it, the lack of prosecution in recently publicized cases was not a matter of special treatment, but standard procedure when people come forward and voluntarily disclose that they may owe money that was previously undeclared. To encourage such disclosure, the CRA waives penalties. That was not the case with CRA auditors finding wrongdoing. The money might never have

been collected if the individuals had not come forward. The CRA might never have realized what it was owed. Therefore, while the idea of amnesty is offensive to hard-working Canadians who pay their taxes in full and on time, there are those who can make a credible case to defend the process. Removing voluntary disclosure, which seems to me to be what is being asked here, could conceivably lead to less tax being collected, not more.

● (1130)

It would be far better to call on the government to bring in a fair and reasonable tax system, but that is as likely as the Minister of Finance bringing in a balanced budget.

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, the member was not here when we had the biggest economic leakage in Canadian history. We went from \$45 billion a year to \$108 billion a year, from 2011 to 2015, under the Harper government.

The member talked about winners and losers in these tax agreements. I do not need to be a tax expert to know who the winners are. The winners have been a bunch of very wealthy individuals in Canada.

The member talked about stewardship of our taxes and treating taxpayers fairly. I wonder if people at home feel that this has been fair to them, this incredible economic leakage that is taking place in our country with legal tax havens and tax agreements, where people can shift their money to another country without paying fair taxes, like every other working person here in our country.

Does the member not agree that we should close these tax havens that do not benefit us, and that any tax treaty that does not have taxes equal to Canada should be closed? We want fairness for taxpayers. This is a lot of money that could be going to supporting our children and families, a national child care plan, a pharmacare plan, protection of the environment, retooling our industries so that we can create jobs and stay competitive, and reducing taxes for small-business people who really deserve a tax break that the government promised.

Could the member talk about whether he shares my concern and agrees that we should close these tax loopholes and have fairness for working Canadians?

● (1135)

Mr. Ziad Aboultaif: Mr. Speaker, there is no one in this House who would want any money to be lost, caused by our taxation system and the way we do things.

As I said earlier, when people negotiate in business, they get what they negotiate. People do not always get what they deserve, they get what they negotiate in life. That is something we all know.

Business of Supply

We all support keeping money and getting the best out of our dollars, and making sure taxpayers are protected. On the other hand, my problem with the motion presented is that it is really lacking concrete details. We need to speak about that and be sure that we have concrete ground to stand on in order to be able to understand it and tell Canadian taxpayers, Canadians at large, what we are saying, and be able to explain it fairly and in a good way.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, as I indicated earlier, as a government we looked at the motion that has been presented and, in principle, we support the motion. At the end of the day, we see that tax fairness is an issue. In fact, if I could, I would like to see a motion that would highlight the issue of tax fairness for all Canadians. Tax avoidance is one aspect of tax fairness.

Would the member opposite not agree that when we talk about the issue of tax fairness, tax avoidance is a very important part of it? In the last year, year and a half, we have seen a government dealing with the issue of tax avoidance. I made reference to some of the international actions we have taken, and I made reference to the issue of the \$444 million that has been given to CRA to look at that particular issue and take action on those issues.

In fairness, we should also be talking about the bigger picture, being the issue of the amount of taxes that different groups are paying and how income inequality can be best addressed through the House of Commons.

Mr. Ziad Aboultaif: Mr. Speaker, if the government is suggesting a restructuring of the taxation system in Canada, it is welcome to do that. It is in power and can probably deal with it, if it has something to come forward with.

Why is the government only agreeing with the motion in principle? I am not sure if this is a signal that government members will be coming forward and proposing amendments to the motion.

[*Translation*]

Ms. Anne Minh-Thu Quach (Salaberry—Suroît, NDP): Mr. Speaker, I will be sharing my speaking time with the member for Vancouver East.

I am very proud to rise in the house today to speak in favour of the motion moved by my colleague from Rosemont—La Petite-Patrie. The purpose of the motion is to fight tax evasion and tax benefits that help only the wealthiest Canadians, banks, and multinational corporations, and do nothing whatsoever to help the vulnerable and the working people who dutifully file their taxes every year, as they will have done in about a month.

If we want to provide quality services to everyone in this country without discriminating on the basis of income or class, we have to tackle tax evasion, which is costing us billions of dollars every year.

They say that the Canadian democracy we are here to defend was designed to ensure equal treatment for all citizens, but I am sorry to say that our tax system does not reflect those values of equity and equality in the least. On the contrary, inequality between the rich and the poor is growing steadily. In fact, it is growing faster here than in the United States.

Unfortunately, loopholes and tax exemptions still exist today. In fact, there have never been so many. Most working men and women cannot rely on these loopholes, tax deductions, tax exemptions or tax credits. It is very difficult for Canadians to accept that the government is not doing its part to ensure that fraudsters are prosecuted and pay their fair share of taxes like anyone else.

For example, the highest-paid CEOs in Canada earn the annual salary of an average worker in half a day. Other statistics show that Canada's highest-paid CEOs earn 193 times the average Canadian salary. It is truly insulting that nothing is being done to ensure that people pay their fair share of taxes, to redistribute the money and to realize our vision of society, which involves access for every citizen to, for instance, quality education and a quality health care system that is not two-tiered.

Canadian seniors have worked hard throughout their lives, and they must be given a decent retirement, which they don't all have. In the riding of Salaberry—Suroît, as in all other ridings, some people cannot eat fruits and vegetables every day, which is not right in a country as wealthy as Canada.

The wealthiest Canadians do not need tax exemptions to live. Unfortunately, the Liberals are maintaining tax loopholes that benefit the wealthiest, while most Canadians are left out. Alain Deneault calls it fiscal haemorrhage. He raises the fact that the corporate tax rate has gone from 38% in 1981 to 15% today. I would like to point out that citizens pay between 15% and 33% in federal tax. Many of them pay more taxes than multinationals and large companies. Mr. Deneault also criticized the fact that companies contribute very little to the financing of public services, whereas they benefit, for example, from high-performance infrastructures and a highly skilled workforce.

The privileged are benefiting from not just one advantageous tax measure. In fact, there are 64, of which five are considered progressive and 59 are considered regressive. By “regressive measures” we mean measures that benefit the wealthiest half of the country instead of the least fortunate half of the country. There are 59 tax measures benefiting the wealthiest half of Canadians. That defies reason; these measures cannot be described as fair or socially just.

In 2011, Canada's lost tax revenues were greater than \$100 billion, or roughly 40% of the total federal budget.

• (1140)

Instead of benefiting Canadians who have a hard time making ends meet, that money is staying toasty warm in paradise in places like the Virgin Islands, the Bahamas, and several other countries that have already been mentioned. A little later I will explain the purpose of these countries, these tax loopholes, or tax havens as they are called.

The government should not gear its policy to the wealthiest 1% of society, but to all Canadians. The priority should be affordable housing, public services, and education, as I have said and as many of my colleagues have said many times in their speeches.

Business of Supply

During the 2011 and 2015 election campaigns, the Liberals were committed to closing tax loopholes involving stock options. The CEOs of the 60 largest publicly-traded companies in Canada receive roughly 25% of their pay in stock options. Stock options are widely used because they are taxed at half the rate of regular income. As such, a 50% reduction is given to those who can afford stock options, so the CEOs, who are already the wealthiest. Initially, they were meant to benefit small and medium-sized start-up businesses, but it quickly became apparent that they were only benefitting the wealthiest.

The Liberals have clearly failed to take action on this issue. They led Canadians to believe that they would bring real change, but instead they maintained the Conservative policy, which they had previously criticized. We know that Bay Street CEOs led a campaign appealing to the current government to preserve their tax benefits. The Liberals are not doing anything to combat poverty, and instead, are working hard to protect the fortunes of the wealthy. This flip-flop is unacceptable for the workers who cannot afford to pay their taxes. Our motion calls on the government to keep its election promises and close the stock option loophole.

In addition to the tax benefits they enjoy in Canada, some wealthy people engage in tax evasion, which is illegal. The Quebec government alone estimates that tax evasion accounts for \$3.9 billion in lost revenue. For 2016, the Conference Board estimates that Canada lost \$47 billion in tax revenues.

To avoid paying their fair share of taxes, businesses and wealthy individuals can hide their money in tax havens, which are countries that have a low- or even no-tax policy for corporations. Canadian firms sheltered \$160 billion in 2011 alone in the Cayman Islands, Barbados, and other such countries.

That has been made possible by bilateral tax agreements between Canada and 92 countries. Among these 92 countries, some, such as Barbados, have a tax rate between 0.25% and 2%, whereas in Canada companies are supposed to be taxed at 15%. These companies, which conduct absolutely no economic activities in Barbados, the Cayman Islands, or elsewhere, use these countries in order to not pay too much tax and then send their money to Canada.

We have repeatedly asked successive governments, and now the Liberal government, to take action and to review this type of bilateral agreement with countries where there are abuses and where there may be fraud and tax avoidance.

This phenomenon is becoming more prevalent. According to a study by the Institut de recherche en économie contemporaine, the amount of financial assets transferred from Canada to the seven top tax havens in the world was 37 times greater in 2014 than in 1987. The use of foreign tax havens is at an all-time high.

Canada is less engaged than the other G7 countries in the fight against tax havens. The Conservatives cut 3,000 Canada Revenue Agency employees responsible for uncovering tax evasion, and the Liberals have not replaced them. These were highly qualified auditors and managers. It has been shown that, for every dollar invested in tackling tax evasion, taxpayers get \$10 in return. It is well worth our while to address this problem.

• (1145)

The Liberals keep saying that they have invested \$444 million in the Canada Revenue Agency, but we have not seen any results. There have not been any criminal investigations. Absolutely nothing has changed. I will continue by taking questions.

[*English*]

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

Mr. Speaker, as a number of New Democrats have done this morning, the member talked about tax fairness. Members across the way need to be reminded that the last budget designated \$444 million to deal with this specific issue. That money was given to the CRA to have the resources necessary to go after individuals and corporations that are avoiding paying taxes.

We also saw in that budget a 10% increase to the GIS. The member referred to seniors not being able to afford to buy vegetables or fruits, but the member voted against that increase to the GIS. The NDP voted against the special tax that was being applied to Canada's wealthiest. Those members need to reflect on their actions versus some of the words that they say.

The member made reference to a figure of \$47 billion in terms of tax avoidance or loopholes. Does she have a rough idea where that \$47 billion comes from which did not end up in Canada's purse?

• (1150)

[*Translation*]

Ms. Anne Minh-Thu Quach: Mr. Speaker, as I was saying, the Liberals love to keep telling us that they have invested \$444 million in the CRA, but we have not seen any results from that. None of the 56 investigations that were launched resulted in criminal prosecution. Not one. That money has not changed anything to date.

We know that large corporations, such as KPMG, made the headlines on the investigative news program *Enquête*. We asked that the Standing Committee on Finance conduct a study on KPMG, but a Liberal member prevented experts from talking about KPMG's activities. There is a double standard at play when the Liberals say they are working on combatting tax evasion.

In the United States, companies that have been found to be evading taxes have to pay penalties of 20% to 27%. In Canada, they get to sign agreements that prevent them from being penalized. There are no penalties in Canada. The federal government is not taking any action to recover that money and put a stop to tax evasion. I look forward to seeing the Liberals do something, to see them walk the talk and put practical measures in place to really fight tax evasion.

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, I want to commend the NDP for the motion they presented today because I believe tackling tax havens and tax evasion is important.

Business of Supply

We also need to fight organizations like KPMG which, as a result of complacency, opportunity and greed, choose to help their clients by enabling them to bypass the tax system. Because they are fortunate and have the means, these clients can tell themselves that everything is fine; they do not need to pay taxes, let the poor take care of it.

In the past, the Bloc Québécois tabled a bill, which later became a motion, to stop tax evasion through Barbados. We were happy when the NDP supported our motion at that time. We are also pleased that the NDP is proposing that we conduct investigations and tackle this issue, but we wonder whether we should not go even further.

We think that the Canada Revenue Agency should send all information directly to Revenu Québec the moment it opens a file. Given that the Canada Revenue Agency is not doing its job, Revenu Québec could do it for them. What does the member think of that idea?

Ms. Anne Minh-Thu Quach: Mr. Speaker, without a doubt the Government of Canada needs to pull up its socks. It makes no sense that the Government of Canada is ignoring scandals such as the one involving KPMG. The NDP has made several requests for KPMG to be investigated in particular. In fact, we have asked the Standing Committee on Finance to look into it. It did, but the Liberals prevented experts from testifying on KPMG. It is completely ridiculous.

We are asking the government to take concrete action. For example it should limit stock option loopholes; tackle tax havens by tightening the rules on shell companies; renegotiate tax agreements that allow companies to repatriate profits back to Canada from tax havens without having to pay any taxes; and stop giving companies or individuals suspected of tax evasion, like KPMG, a free pass.

• (1155)

[English]

Ms. Jenny Kwan (Vancouver East, NDP): Mr. Speaker, I am pleased to rise in this House to support the motion tabled by my colleague, the member for Rosemont—La Petite-Patrie. The motion calls on the government to close the loopholes on tax havens and to crack down on tax evasions.

Why is this motion so important? Decade after decade vital public services are left underfunded, ignored, or even cancelled. Far too often, the justification for the inaction or cuts in programming is that we cannot afford it. Oddly enough, the affordability question is only asked when we are talking about investments in support of social programs. It never seems to get asked when it comes to providing lucrative tax credits for the wealthy or the continual slashing of corporate taxes or maintaining costly and inefficient tax expenditures that only apply to the highest earners in the country.

Successive governments, Liberals and Conservatives alternating, have chosen to allow these oh so splendid tax loopholes that benefit Canada's wealthiest to continue. For the Liberals and Conservatives, these tax giveaways for the elite are never questioned. For them it is a standard practice. Why? It is in their DNA. Election cycle after election cycle, it is the same old story. Even when they pretend that it is an issue they are concerned about and they campaign on clamping down on these ludicrous tax loopholes, for example, as even written in the Liberals' platform, after the election, boom, it is as though

someone waved a magic wand and that promise disappeared. It is gone.

In the most recent election, the Liberals thought that the employee stock option deduction was disproportionately benefiting the very wealthiest Canadians at the expense of everyone else, and of course they were right about that. The Liberals specifically noted in both their 2011 and 2015 election platforms that 8,000 Canadians with very high incomes were deducting an average of \$400,000 from their taxable income through these stock options. This represents 75% of the fiscal impact of this deduction, which in total cost \$750 million in 2014. The Liberals proposed changes to this tax loophole to raise an additional \$560 million for the government's coffers that could have been put into use for public services. Then, in March 2016, just months after the election, when the Liberal government was asked what it was going to do and whether it would follow through on the promised changes to crack down on this lavish tax loophole for the ultra-wealthy, the Minister of Finance stated, "It's not in our plans."

What happened, we might ask. Documents obtained under access to information show a direct correspondence between CEOs and the Minister of Finance pressuring him in advance of the 2016 budget to backtrack on that promise, and guess what. The corporate elites got exactly what they wanted, a \$560-million gift courtesy of the Liberal government.

According to a CCPA report, roughly 99% of this money is given to the highest 10% of income earners in Canada. In fact, the study found, "In essence, there is no benefit from this tax expenditure to anyone making less than \$215,000 a year." While this loophole might have originally been designed to help raise money for start-ups and expansions, it is now primarily used by Canada's ultra-rich to avoid paying their fair share of taxes. In case members are wondering, Canada's top CEOs now make 193 times the average Canadian's salary. In fact, Canada's richest CEOs made the average Canadian's annual salary before lunchtime on the first day of work this year.

The heads of Canada's five big banks own \$6 million in stock options. Is there a real reason for these individuals to need preferential tax treatment? Are Canada's big banks at risk of being unable to start up or expand if these loopholes are closed? Are they not making record profits already?

• (1200)

To be sure, these are the corporate elites, and in the end, no matter what the Liberals say, they always have the interests of these elites at heart. Canadians get conned every time. They want to believe in the Liberals and what they campaigned on, but in the end, frankly, the campaigning Liberals are not the same as the governing Liberals. What they say is not what they do. They just cannot resist the pressure being put on them by the most powerful in this country to leave in place a system which benefits them at the expense of everyone else.

Business of Supply

If people think these tax giveaways stop with stock option loopholes, they should think again. Over the years, between the Conservatives and the Liberals, Canada's corporate income tax rate has dropped dramatically, from 37% to 15%. Members heard me correctly. That is a 22-point drop. The office of the parliamentary budget officer found that the former Conservative government's corporate tax giveaways cost taxpayers an additional \$12 billion every year. That is \$12 billion, not \$12, not \$1,200, but \$12 billion.

If that is not enough already, recent international headlines, such as the Panama papers and the Canadian-born KPMG tax haven scandal, among others, showed the wealthiest and corporations are increasingly turning to aggressive tax avoidance measures through the use of shell corporations and offshore accounts in tax havens to avoid paying their fair share of taxes. It is estimated that in 2015, Canadian corporations alone stashed almost \$40 billion in the top 10 tax haven destinations.

From 1988 to 2001, Canadian direct investments in Barbados, a top tax haven destination, increased from \$628 million to \$23.3 billion, a 3,600% increase. The increased use of these tax havens means Canadian taxpayers are losing \$7 billion in taxes each year. That is \$7 billion that Canadians will never see invested in much-needed infrastructure programs for hard-working Canadians.

It does not stop there. Another big tax giveaway is the dividend gross-up and tax credit. This measure cost taxpayers \$4.1 billion per year. By the way, 91% of this money goes to the top 10% of income earners and roughly 50% of that actually goes to the top 1%. Do not forget that the foreign tax credit comes with a price tag of \$740 million per year. According to the CCPA's recent study, if we add up all the measures that benefit mostly the wealthy, in 2011 alone, there was more than \$100 billion in forgone revenue. That is money that could be invested in critical programs for Canadians.

What are some of those critical programs? How about restoring the national affordable housing program that the Liberals axed in 1993? Homelessness exists because we allow it to exist. A 2014 study found that putting Canada on a path to ending homelessness would cost roughly \$3.7 billion per year.

There was a gathering of concerned citizens bound by one common thread, the desire to end homelessness, on February 25, the third annual Coldest Night of the Year walk for the homeless. In Vancouver, close to 200 people came out to walk on that cold winter night in my riding. Together we raised \$50,000 in support of those who are homeless, hungry, and hurting. United across the country, some 118 communities also joined in this annual walk. This event was a clear statement that many Canadians want to see an end to homelessness. Ending homelessness is entirely possible. It is not rocket science. All we need is to close these tax loopholes.

What about big corporations? If we closed the tax loopholes for big corporations, we could invest in a much-needed pharmacare program. I have met seniors who are cutting their pills in half so they can stretch out their medications. I have met seniors who are eating pet food to survive each day. We are providing these huge tax giveaways. Why? The government says we cannot afford these other programs. I say yes we can. We should close the loopholes, tax corporations, reinvest the money into communities for the people, so all Canadians can have the benefit of succeeding in our country.

● (1205)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, we have heard a number of New Democratic Party members of Parliament stand up and say it is about corporations and taxing the corporations. I find it interesting because I came from the province of Manitoba, where the provincial NDP actually cut the corporate tax rate seven times while I was there. When the NDP is in government, it tends to want to have a different policy, it would seem, at least at the provincial level.

What I want to raise, and I have done this in the form of a question before, and I will do it again for the member, is that when we talk about income inequalities, we saw in the last budget a middle-class tax cut. We saw a budget that brought in help for our seniors, and for our youth with the Canada child benefit program. It was a massive redistribution of wealth into the hundreds of millions of dollars, including a special tax on Canada's wealthiest. Why did the NDP vote against that?

Ms. Jenny Kwan: Mr. Speaker, the member needs to actually look at his party. It was actually in its own platform in the last election that it would close the stock option loopholes. However, after the election, the Minister of Finance said it was not in their plans to do what they promised Canadians. Perhaps he should look in the mirror about what he promised Canadians and then make sure his government actually follows up on that commitment.

On the question around programming, some of the measures were good, but the government could do a whole lot more if it reduced the corporate income tax. By the way, successive governments have reduced corporate income tax, Conservatives to Liberals, Liberals to Conservatives, from 37% to 15%, and the Liberals continue to hold it at 15%. If they did not do that, they would actually recuperate another \$12 billion that could be invested into programs. Imagine what that could do for Canadians.

[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, personally I find this motion presented by the NDP today very interesting. I listened to the speech given just a while ago by my colleague from Vancouver East and it seems to me that this motion focused on tax evasion, specifically the KPMG case, on the investigations that need to be launched and also on the tacit agreements that allow companies to walk away without paying any penalties. Furthermore, KPMG is not going to be penalized for its practices.

Business of Supply

What I am trying to understand here is why we are lumping other things in with it. Stock options and corporate taxes are also mentioned. I completely agree with my colleague that stock options and corporations should be taxed more. However, there is really no link between those issues and tax havens. That is why I am trying to understand if we may be getting things confused.

[English]

Ms. Jenny Kwan: Madam Speaker, before I respond to the question, I just want to make sure I correct the record. I think I said the Liberals could reduce taxes. I obviously meant the opposite, that the Liberals need to increase the corporate income tax rate in order to recoup the monies that could be invested into the community. I want to be clear about that.

To the member's question, these things are all interrelated, of course. We are talking about tax havens, where the ultra rich can hide their money so they do not have to pay Canadian taxes. We are talking about a corporate income tax that successive governments have reduced over the years, which actually gave a huge windfall. I would call it corporate welfare, frankly; handouts to these big corporations at the expense of Canadians.

What we need to do is look at all of these measures in advance of the budget. The budget is coming down, and I would like to see the government do a comprehensive approach and redirect these resources to Canadians who need it. Every Canadian deserves a chance to succeed, and the people who need it the most are not the people who are benefiting from these huge tax loopholes, billions and billions of dollars in tax loopholes. We could invest that money for all Canadians so we can all succeed.

• (1210)

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Madam Speaker, I am pleased to speak to the important issue of tax evasion and aggressive tax avoidance brought forward by my colleague the member for Rosemont—La Petite-Patrie. I will be splitting my time this morning with my friend and colleague the member for Brampton East.

First, let me state unequivocally that the Government of Canada is committed to combating international tax evasion and aggressive tax avoidance. We believe every Canadian must pay his or her fair share of taxes, period.

Last year's budget introduced a number of measures to combat tax evasion and avoidance and to improve compliance, actions that will help ensure that everyone does their share and pays their fair share.

Furthermore, they support the objective of an economy that works for the middle class and not those who seek to skirt our tax laws or otherwise gain an unfair advantage. Tax evasion and aggressive tax avoidance by individuals and businesses have a fiscal cost to governments and to taxpayers. They reduce the fairness and integrity of the tax system. They shift the financial burden onto Canada's middle class, while often benefiting those who may be more than capable of paying their own fair share.

This is why our government took decisive action through budget 2016 to crack down on tax evasion and to combat tax avoidance. Budget 2016 invested \$444.4 million over five years to enhance the Canada Revenue Agency's assessment capabilities through the hiring

of more auditors and specialists who will have the resources needed to undertake more expansive and comprehensive investigative work.

These investments to support CRA's efforts to crack down on tax evasion and combat tax avoidance are expected to generate approximately \$2.6 billion in additional taxes over five years.

With the benefit of these new resources in the last year, CRA has begun reviewing all taxpayers and certain segments of the population identified as high risk. The agency is using external data and publicly available information to maximize its effort to identify non-compliance.

The CRA has also toughened its response to leaked lists of taxpayers with offshore holdings. For example, with the Panama papers, the CRA has more than 76 taxpayer audits under way, and extensive data is currently being reviewed. The CRA has also executed search warrants, and several criminal investigations involving both participants and facilitators are ongoing.

However, we also recognize that assessing tax revenues alone is not enough. Once we do an assessment we need to be able to collect the unpaid amounts and that is why budget 2016 invested an additional \$351.6 million over five years to improve CRA's ability to collect these outstanding tax debts. This is revenue we will be investing to help strengthen and grow our middle class.

Indeed, creating an economy that works for the middle class and those working hard to join it is what guided our actions right from the start of our mandate. As one of our first actions in December 2016, we introduced the middle-class tax cut. Nearly nine million Canadians are now benefiting from this measure. Single individuals who benefit are seeing an average tax reduction of \$330 every year, and couples who benefit are seeing an average tax reduction of \$540 every year.

Also with budget 2016, we put more money directly into the pockets of low- and middle-income families through the Canada child benefit, a more generous, tax-free, and better targeted benefit that is lifting hundreds of thousands of children out of poverty. The CCB is giving nine out of 10 families with children more money every month to spend on everything from school supplies, to school clothes, to sports equipment. Families benefiting have seen an average increase in child benefits of almost \$2,300 during the 2016-17 benefit year.

These actions and others are helping to strengthen and grow the middle class and our economy. However, we also know that more needs to be done. We need to make sure that our tax system functions as intended and that it is fair, effective, and equitable.

Business of Supply

We will continue to take legislative and other actions on both the international and domestic fronts to ensure that Canada's tax system is fair and works for the middle class.

Globally, Canada has been a very active participant in efforts to address international tax evasion and avoidance. Canada is an active member of the Global Forum on Transparency and Exchange of Information for Tax Purposes, which was established to ensure that high standards of transparency and exchange of information between jurisdictions for tax purposes are in place around the world.

• (1215)

Canada has also developed an extensive network of bilateral tax treaties and tax information exchange agreements, and it is party to the multilateral Convention on Mutual Administrative Assistance in Tax Matters, which provides for exchange of tax information. This allows the CRA to obtain information from foreign tax authorities on Canadian taxpayers' investments and activities in foreign countries that is relevant for Canadian tax purposes.

To build on this information sharing, Canada recently adopted legislation to implement the common reporting standard developed by the OECD and endorsed by G20 leaders. Canada is one of more than 100 jurisdictions worldwide that have similarly committed to implement this reporting standard, which provides a framework under which the tax authority in a country will share information, securely and automatically, on the financial accounts held by non-residents in that country with the tax authority of the country in which the account holder is resident. This House has recently passed legislation to implement this standard, starting on July 1 of this taxation year.

Canada has also been actively engaged in a second multilateral initiative aimed at addressing base erosion and profit shifting, commonly known as BEPS. This refers to certain tax planning arrangements undertaken by multinationals, which often through legal means exploit the interaction between the tax rules of different countries in order to minimize taxes. Canada has already implemented a number of the BEPS project recommendations, and going forward, the government will continue to work with the international community to ensure a coherent and consistent response to BEPS filing going forward.

Canada supports the important goal of improving corporate transparency worldwide. The Government of Canada has agreed to international standards developed by the Financial Action Task Force and the Global Forum on Transparency and Exchange of Information for Tax Purposes in support of corporate transparency. The proceeds of crime, money laundering, and terrorist financing regulations include requirements for financial institutions regarding the collection of information on beneficial owners of corporations.

Taken together, all of these actions are consistent with the basic principles of fairness that define us as a nation. Canadians should have confidence that their tax system has integrity. This is what tax fairness is all about. By taking action to prevent tax evasion and close tax loopholes, we will improve the fairness and integrity of the tax system, and contribute to fiscal sustainability both at home and abroad. We believe that our plan is the right one to improve the integrity of Canada's tax system.

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, the member for Vaughan—Woodbridge talked about tax fairness. I appreciate his bringing up that word. We saw tax havens go up from \$45 billion in 2011 to over \$108 billion in 2015 under the past Conservative government. My concern is that the government is still protecting those tax agreements. Currently, there are legal loopholes.

I hope the member will choose to close those tax loopholes, in fairness to Canadian taxpayers. We have heard a lot of numbers. We hear it is costing us about \$7 billion in tax revenue annually. When we look at all of the tax loopholes and all of the different things in our tax system that are benefiting the rich, we hear from some that the number is about \$100 billion. However, if we divide the \$7 billion by 338 ridings in Canada, that is over \$200 million per riding per year. It would actually be almost \$3 billion if we took the \$100 billion number. I think about what \$200 million a year would do for my riding: it would build more affordable housing, it would create all of the sewer and water infrastructure for Port Alberni, Courtenay, Parksville, and Ucluelet in the first year, and it would create opportunities for economic development, and dock replacement. Maybe the member can tell me and his constituents what \$200 million a year would do for his riding and his constituents; or even \$3 billion a year, if we actually get it right. It would be great to hear what he can tell us he could do.

Mr. Francesco Sorbara: Madam Speaker, I have the privilege of sitting on the Standing Committee on Finance. I was the MP who brought forward the motion for us to study the goings-on with respect to tax evasion and tax avoidance in relation to the Isle of Man. Therefore, this is an issue that is of paramount concern for us, for me and our government, to ensure that all organizations and individuals are paying their fair share of taxes, that our social programs are being supported and fully funded, and that all Canadians contribute to our economy and the betterment of our society.

What I would like to note is the number of actions that we in our government have undertaken to combat tax avoidance and tax evasion. Over the weekend, the Minister of National Revenue put out a release, which I think everyone should take a look at. When we look at the CRA's domestic offshore audit activities, we see they put our government on a pace to raise assessments by over \$13 billion this year. We have increased the number of auditors reviewing offshore tax schemes, promoters, and large multinational corporations. In our budget, we put in place a plan to invest \$444 million over five years for increased tax evasion and tax avoidance monitoring.

Business of Supply

● (1220)

[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, the Liberal member, obviously part of the government, is praising the Liberal government's plan.

Last year, in that plan, about \$400 million was announced for going after money that should have been paid to the government. However, when investments are made in the Canada Revenue Agency, for example, to go after money, does that mean that tax havens and fraud artists are being targeted, or are hairdressers, bartenders and restaurant operators also going to be targeted?

The government says it is very interested in the middle class, and we can see that. When we want to go after the big fish, as the motion introduced by the Bloc concerning Barbados was intended to do, the Liberals stand in our way. At the international, the big fish like KPMG get an amnesty.

In our opinion, the government should pay more attention to the wealthier people and go after the big fish. Essentially, if the government of Canada does not do its job, it should let Quebec do it.

[English]

Mr. Francesco Sorbara: Madam Speaker, if we look at the findings to date from the CRA, in 2015-16 alone, over 120,000 audits resulted in more than \$12 billion in additional taxes assessed as well as penalties and interest. Our government is committed to cracking down on aggressive tax avoidance and tax evasion.

I would like to add that I do understand the member's comments about going after small business or middle-class Canadians. I do share that concern, and we should focus on larger participants who have the capability of tax evasion and tax avoidance.

Mr. Raj Grewal (Brampton East, Lib.): Madam Speaker, it is always a privilege to rise in this House.

In an uncertain future, our government is working hard to ensure that Canada's economy works for the middle class. We believe that when we have an economy that works for the middle class, we have a country that works for everyone, and that means ensuring everyone pays their fair share of taxes.

Over the last year, our government has done some big things. We were elected on the platform of growing the middle class, and that is exactly what we have been doing.

We started by raising taxes on the wealthiest 1% of Canadians so we could cut taxes for the middle class. Specifically, we reduced the 22% federal income tax rate to 20.5% for 2016 and all subsequent tax years, and we raised the taxes on the wealthiest Canadians by introducing a new top income tax rate of 33% for individuals with a taxable income of over \$200,000. As a result, nearly nine million Canadians pay fewer taxes today.

In today's economy, Canadian families need all the help they can get. This is why we introduced the Canada child benefit, which is a real game changer. The Canada child benefit is making a real difference in the lives of Canadians and their families' budgets. Compared with the old system under the previous government, the Canada child benefit is simpler, fully tax-free, more generous, and better targeted to those who need it most. Because the government is

no longer sending cheques to millionaires, nine out of 10 Canadian families are receiving more child benefits than they did under the previous government. Families benefiting saw an average increase of almost \$2,300 per year. On a monthly basis, that is almost \$190, on average, that families receive directly into their pockets. That is extra money to help Canadian families pay for school supplies, their children's education, and child care expenses.

Furthermore, on March 2, the final step to strengthening the Canadian pension plan was put into force. This means that strengthening the CPP is no longer an idea, but a reality. This historic agreement between Canada's federal, provincial, and territorial governments will ensure that today's young Canadians will be able to count on a strong public pension plan when they retire in the future. At maturity, the CPP enhancement will increase the maximum CPP retirement benefit by about 50% which, in today's dollars, represents an increase of nearly \$7,000 to a maximum benefit of \$20,000.

It is evident that we are working hard to deliver real change for Canadians. In that time, significant early progress has been made. However, more hard work lies ahead.

Paying our fair share of taxes is essential to financing the measures that enhance the lives of all Canadians. When certain individuals or corporations find ways to skirt the system, it is the middle class that usually picks up the tab. That is totally unacceptable and counterproductive to our country's goals. That is why making the tax system more fair is an ongoing priority of this government.

As announced in budget 2016, the Government of Canada is conducting a comprehensive review of federal tax expenditures. It is doing so in recognition of concerns that have been expressed regarding efficiency, fairness, and the complexity of the tax system. The objective of the review is to ensure that federal tax expenditures are fair for Canadians, are efficient, and are fiscally responsible.

External experts have been engaged to provide evidence and advice to the government. This approach ensures that the review is informed by a range of perspectives, both inside and outside government.

In addition, the government is committed to strengthening the efforts to combat international tax evasion and avoidance. We have taken, and we will continue to take, measures to do this. These efforts help protect the revenue base and give Canadians greater confidence that the system is fair to everyone.

● (1225)

Budget 2016 invested \$444 million over five years directly into the Canada Revenue Agency to crack down on international tax evasion and combat tax avoidance. This investment is enabling the CRA to hire additional auditors, develop robust business intelligence infrastructure, increase verification activities, and improve the quality of its investigative work. These new investments to support the CRA's efforts to crack down on tax evasion and combat tax avoidance are expected to generate around \$2.6 billion in taxes over five years.

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With the benefit of these new resources, the CRA has set up teams to focus exclusively on promoters of offensive tax schemes. As a result of these new reporting requirements, the CRA has been tracking information on electronic fund transfers over \$10,000. Based on the information collected, audits of the highest risk taxpayers moving money between Canada and offshore jurisdictions are under way.

So far, a total of 41,000 transactions have been analyzed, totalling over \$12 billion. Overall, the CRA is currently conducting audits of over 820 taxpayers and criminally investigating 20 cases of tax evasion related to offshore accounts.

That said, we also recognize that assessing tax revenues alone is not enough. Once we do an assessment, we need to be able to collect the unpaid amounts. That is why budget 2016 invests an additional \$351 million over five years to improve the CRA's ability to collect these outstanding tax debts.

The Standing Committee on Finance, of which I am a member, tabled a report just last October on the study of tax avoidance and evasion. The report concluded with 14 recommendations to the government, including, but not limited to, the following: conducting a review of the voluntary disclosures program; requiring all tax advisers to register their tax products with the CRA; improve relationships between the CRA and the Department of Justice, which prosecutes these cases of tax evasion; improve statistical reporting requirements at the CRA on their efforts on tax evasion and avoidance, for transparency; and taking a lead in ensuring global implementation of the OECD and Group of 20's recommendations on the issue.

Just two weeks ago, the government provided its official response to the report. I am proud to share that in the response, the government affirms its support of all 14 recommendations. Additionally, the government shared the work that has already been done or is currently being undertaken to ensure all Canadians pay their fair share of taxes in our great nation.

Before I conclude, let me emphasize that our government is focused squarely on Canadians and 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. Part of this responsibility includes making sure Canada's tax system works for everyone and that we all pay our fair share.

Going forward, we will continue to monitor and strengthen the tax system, so that we can continue to bring real change to the middle class and to all Canadians.

● (1230)

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I thank my colleague for his contribution to the debate. I am always pleased to work with him on the Standing Committee on Finance. He mentioned the work that has been done at the Standing Committee on Finance on the subject of tax evasion and tax avoidance.

Once again, the Liberal members are saying that the government is doing a wonderful job and has invested \$444.4 million. I do not know where that figure comes from, but even if they are investing

millions of dollars, we are not seeing any concrete results in the courts.

For example, in the case of Liechtenstein, 106 individuals have been identified, and none of them has been questioned by the Public Prosecution Service of Canada. In the Panama Papers case, 397 individuals have been identified, and so far, none of them has been questioned by the Public Prosecution Service of Canada. That means there have been even fewer convictions.

Why, then, are we not seeing the results of this \$444 million investment on the ground, in the courts?

[*English*]

Mr. Raj Grewal: Madam Speaker, my hon. colleague is asking me about results. I will go back to my earlier comments. Forty-one thousand transactions, totalling more than \$12 billion, have been looked at by the CRA. Currently, 820 audits are going on, and there are 20 criminal investigations on tax evasion. These are a direct result of our government investing \$444 million in the CRA, giving it the resources it needs to conduct these audits and to hire auditors to do investigative reporting. This is after 10 years of the previous government reducing the budget of the CRA time and time again.

When CRA officials appeared before the finance committee, we directly asked them what is hampering their ability to catch Canadians who are not paying their fair share of taxes, and they specifically said it was the cuts made to the CRA's budget by the previous government. That is why I am so proud of our government's investment in the CRA, which will ensure tax fairness for all Canadians and ensure that they all pay their fair share.

Mr. Bob Bratina (Hamilton East—Stoney Creek, Lib.): Madam Speaker, internal documents from Canada Revenue Agency show that it cut some of its most highly trained staff and folded international tax evasion units because of the 2014 budget freeze. Senior managers and trained auditors who were considered among the most highly skilled experts were let go.

With regard to projections of potential revenues, would the member not agree that a six-figure audit investigator could easily return seven figures in terms of revenue for the country? We know that money is out there.

● (1235)

Mr. Raj Grewal: Madam Speaker, my hon. colleague is 100% correct. Over the last 10 years, under the previous Conservative government, the CRA's budget was drastically reduced, and that is why a lot more tax avoidance and tax evasion occurred. The CRA did not have the resources to combat it. Now our government, in its first budget, has invested \$444 million, and from that \$444-million investment, we are expecting \$2.6 billion back in collected unpaid taxes, which will help and strengthen the middle class and bring real change to all Canadians. It will ensure tax fairness for all Canadians from coast to coast to coast.

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[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, in his speech, my colleague talked about fairness. In French, we might use the words *justice* or *équité* or *traitement équitable*.

I wonder whether my colleague thinks it is fair to vote against a bill that puts an end to tax avoidance and tax evasion using tax havens like Barbados. The Canada Revenue Agency is also granting amnesty to fraudsters who come up with shell games to avoid having to pay income tax.

In his speech, my colleague talked about reducing income tax. Not too long ago, Alain Deneault wrote a book in which he asked whether Canada was becoming a tax haven.

Transforming Canada into a tax haven, letting poor people and ordinary people suffocate and not making the rich pay taxes: is that the Liberal strategy for combatting tax evasion?

[English]

The Assistant Deputy Speaker (Mrs. Carol Hughes): Time is up, but I will allow the member for Brampton East to give a brief answer.

Mr. Raj Grewal: Madam Speaker, all my hon. colleagues in the House would agree that tax fairness is extremely important. It is important to send a message to Canadians that if they work hard, they have to pay their fair share. No matter if one is a taxi driver or a truck driver or a CEO of a Fortune 500 company, if one lives in Canada, one is going to pay one's fair share. That is what our government is committed to.

Ms. Tracey Ramsey (Essex, NDP): Madam Speaker, I will be splitting my time with the member for North Island—Powell River.

I am pleased to speak in support of today's opposition day motion, brought forward by my colleague, the hon. member for Rosemont—La Petite-Patrie. He is also the New Democrats' newly minted finance critic, and I congratulate him on the appointment. Based on the debate he has brought forward today, I know he will do a terrific job as our finance critic.

The motion we are debating today is very straightforward, and I would hope that the Liberal government would support it. It is a two-part motion. It calls on the government to address tax loopholes and to crack down on the use of tax havens. It is about enforcing the basic principle that every Canadian should pay his or her fair share of taxes. It is about tax fairness.

I am not suggesting that the current tax system is the model of fairness, but we know that far too many of the wealthiest Canadians are shirking their responsibility to pay their taxes, and in some cases, are going to extraordinary and even criminal lengths to avoid paying them at all.

A few years ago, Warren Buffett famously claimed that he was paying a lower tax rate in the U.S. than his secretary. It goes to show how many loopholes exist for the wealthiest in society. In Canada, the stats are staggering. Canada's top CEOs earn 193 times the average person's salary. Two Canadian billionaires possess the same amount of wealth as nearly a third of Canadians, \$33.1 billion U.S.

Canada's richest CEOs earn the same in half a day as the average Canadian worker earns in a year.

What New Democrats are suggesting here today is not radical. All we are saying is that the government needs to tighten up the rules and crack down on these tax loopholes and tax havens that are allowing the super-rich to avoid paying their fair share.

According to the Canadian Centre for Policy Alternatives, there are about 59 tax measures that mostly benefit people above the average income level, which costs the government more than \$100 billion in foregone tax revenues. These loopholes significantly undermine the government's ability to provide funding for key priorities, such as improving health care and seniors care, investing in affordable housing and public transit, and even launching an affordable child care system and national pharmacare plan, two ideas that would go far in building a stronger, healthier Canada. I think about what these programs would mean in my riding of Essex. They would improve the quality of life and the affordability of life for so many families and individuals.

In the last election we talked a lot about the stock option deduction loophole. In most of Canada, profit from stock options is considered to be a capital gain and therefore is taxed at half the rate for regular income. Many companies offer stock options to their employees as an incentive in their compensation packages. This tool was initially designed to help raise money for start-ups and expansion, but now it is being primarily used by Canada's wealthiest.

Stock options now make up about 25% of CEO compensation at Canada's top 60 publicly traded companies. This costs federal and provincial governments close to \$1 billion every year in foregone revenue. The Liberals know this to be true. In 2011 and in 2015, their platforms acknowledged these very facts. Both the New Democrats and the Liberals campaigned on closing the stock option deduction loophole, but here we go again, another promise made by the Liberals that apparently they never meant to keep.

The other week, at the international trade committee, we had the pleasure of hearing from the Minister of Small Business and Tourism, who discussed what her government is doing to support more small businesses in accessing international markets. I asked her about the Liberals' campaign promise to reduce the small business tax. She referred to it as a great sound bite but said that it was not a good idea anymore. Her comments struck me as very cynical and certainly is not what I am hearing from those in my riding of Essex.

When parties make election promises, such as reforming the electoral system, lowering the small business tax rate, or closing the stock option deduction loophole, Canadians expect the government to deliver, not to turn its back and later scoff at the very premise of these commitments. The Liberals are breaking campaign promises left and right. It is shameful. I am worried that after four years of the Liberal government, Canadians will be even more cynical about politics than they were after 10 years of the Conservative government.

After promising to fully tax individual stock options exceeding \$100,000 during the last election campaign, after forming government the Liberals announced that they will leave it untouched. We have now learned of intense lobbying by Bay Street CEOs, who benefit greatly from this measure, to keep this loophole open.

● (1240)

Both the Liberals and the Conservatives have now claimed that closing the stock option loophole would hurt small businesses and start-ups, arguing that they would not be able to give employees stock options as an incentive to help companies grow. However, closing the stock option loophole does not mean that companies would not grant stock options as compensation. Start-ups could still offer stock options to attract and retain employees. Those employees would just have to pay fair tax on the income, the same rate normal Canadians pay on their income, rather than receiving a 50% discount.

When we talk about loopholes and tax evasion, we are not talking about Canadians putting their money into RRSPs or TFSAs. We are talking about off-the-book illegal schemes, like the one cooked up by KPMG to hide Canadians' money in offshore accounts.

The second part of today's motion calls on the government to "take aggressive action to tackle tax havens". The key word here is "aggressive". It means "tightening rules for shell companies". It means "renegotiating tax treaties that let companies repatriate profits from tax havens to Canada tax-free", and it means "ending penalty-free amnesty deals for individuals suspected of tax evasion".

This is not just a tax issue. It is about cracking down on white-collar criminals. The government members talk about the size of CRA's budget for going after tax evaders, but we still have not seen any criminal charges. It is clear that the government must do more to tackle tax cheats, who are robbing Canadians of billions of dollars of revenue that is sorely needed to improve our communities.

Canada is lagging behind other G7 countries in tackling tax havens. The previous Conservative government eliminated 3,000 jobs at CRA in the unit responsible for detecting tax evaders, including the jobs of hundreds of auditors and 50 highly trained managers. This is a perfect example of why ideologically driven budget cuts can be so shortsighted. The finance department's own numbers show a \$10 return for every dollar invested in combatting international tax evasion and aggressive tax avoidance. The Liberal government has made new investments in CRA, which are welcome, but this is not a silver-bullet solution. Instead, it is a starting point in a larger conversation about how we tackle this complex problem.

I have already talked about many elements of an aggressive, effective strategy to combat tax loopholes and tax havens. Another

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policy I would like to draw my colleagues' attention to is the impact of drastic cuts to the corporate income tax. The Conservatives cut the rate by one-third, from 22% to 15%, over six years, and the Liberals have kept it at this very low level, which is even lower than the U.S. rate. The parliamentary budget officer has said that these corporate tax giveaways cost the government \$12 billion annually. Evidence shows that the Conservatives' drastic cuts have not boosted investment or led to the promised job creation. Again, we have another ideologically driven decision that has not led to economic growth and job creation. It has just been a massive tax giveaway. Its only real impact has been to deplete the government of tax revenues that could be used to build better health care, community infrastructure, and other urgent priorities in Canada.

The Liberals promised change for everyday people. They promised policies that would build a fair economy that lifts everyone up, not just those at the top. Canadians are increasingly frustrated that the Liberals are failing to deliver. Instead, we are seeing business as usual. Instead of listening to the voices of everyday Canadians, the Liberals are listening to the loudest voices in the room, the ones of the lobbyists and well-connected insiders who look out for the interests of the wealthiest CEOs and corporations.

As a New Democrat and as the member of Parliament proudly representing Essex, I want to be a voice for the hard-working people who have been left behind by an economy that excludes too many. I want to fight for a Canada that works for everyone, not just the wealthy and the well-connected. Today, New Democrats are calling on the Liberal government to ensure that CEOs and big corporations pay their fair share. I hope all hon. colleagues will join me in voting yes to this motion.

● (1245)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, the Government of Canada has been firm and strong on the issue of tax evasion, whether it is the \$444 million that has been allocated to CRA to give it the resources necessary to get tough on this issue, or some of the international initiatives we have taken, including implementing and enhancing reporting standards, which has been endorsed by G20 leaders, to help close loopholes. We have also signed tax treaties with other jurisdictions, which help provide information to crack down on tax cheats worldwide.

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The member talks a very strong line in terms of standing up for Canadians as a whole. I wonder if the member can explain why she voted no when it came to having a tax on Canada's wealthiest, or having a tax break for Canada's middle class and those aspiring to be a part of it, or the Canada child benefit program, or our 10% increase of GIS for our most vulnerable seniors across Canada. Why did the NDP vote no to these things and to the \$444 million to get tough on tax evasion?

Ms. Tracey Ramsey: Madam Speaker, once again we have a Liberal standing in the House trying to avoid the fact that the Liberals have broken a campaign promise, something that was repeatedly part of their platform. Again, the New Democrats are having to push the government so the Liberals will honour the promises and commitments they have made to Canadians.

In 2011 and 2015, it was a Liberal campaign platform promise to Canadians to set a cap on how much could be claimed through the stock option deduction. The government has not acted. The Liberals are not moving forward on this. Therefore, the New Democrats are proud to stand in the House and push the government for all Canadians who are losing out on billions of dollars that could be captured, instead of going into the pockets of the friends of the Liberals, the most wealthy.

[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, I am very happy to see my NDP colleagues seize upon this issue, because it is important to fight tax evasion. It is important to fight the fraudsters who think they have all the rights and can do what they want.

At the same time, on the other side we have a government that is laughing at the population and the people. Solutions are proposed, such as the bill tabled by the Bloc Québécois designed to combat tax evasion, but no one is interested in them. After that, we hear that, in the KPMG case, preferential treatment and amnesties are being handed out. Basically, they are continuing to encourage people who do not need to pay for their crimes, because it is indeed a crime to circumvent the law in this way.

However, the Canada Revenue Agency does not seem to be doing its job, and the federal government seems to be standing in our way. This morning, we in the Bloc Québécois asked for something. We asked to have the information forwarded to Revenu Québec as soon as a case is opened and even before it wraps up. That way, should the federal agency be found to be complacent, Revenu Québec can do its job and collect the money if Canada does not.

Would my colleague like to support us on this?

• (1250)

[English]

Ms. Tracey Ramsey: Madam Speaker, something really shocking is happening on the other side of the House, and it was referenced. Not only are the Liberals not following through with campaign promises, they are not pushing hard enough as other progressive parties in the House would like to see happen. However, what is really concerning is the pressure they are receiving. Under access to information, we know the Minister of Finance, in some communications between CEOs and himself, was being pressured, in advance of the 2016 budget, to backtrack on the Liberal promise to

close the stock option loophole. Now it is clear that the minister has succumbed to pressure.

The Liberals continue to succumb to the pressure of those corporate elites, and they are not listening to Canadians across the country.

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Indeed, Madam Speaker, we agree that the stock options issue does not concern ordinary Canadians, or our neighbours down the street in our ridings, be they Essex or Sherbrooke. They are not the ones who use the stock options offered by companies.

The people who use them are well connected to the Liberal government, and may know the finance minister, himself a product of Bay Street who is among the wealthiest 1% of the Canadian population. Does she think it possible that this financial industry and the multinationals may have exerted some influence that could have caused the Liberals to go back on their promise to put an end to this tax loophole?

[English]

Ms. Tracey Ramsey: Madam Speaker, absolutely, the Liberals are bowing to pressure. I am an auto worker. In my riding of Essex, I do not know anyone who is offered these corporate tax options, such as stock options. Average Canadians do not have stock options attached to their jobs. We are not saying no one should have them. We are saying if people do have them, they should pay their fair share of taxes on them, not the 50% cut that the Liberals are letting their friends have.

Ms. Rachel Blaney (North Island—Powell River, NDP): Madam Speaker, I grew up in a simple home where hard work was just part of our life. My father worked in the forest industry, and my mother continues to be a psychiatric nurse. When the forest industry struggled, our family struggled but we always worked hard.

My family instilled in me a desire to ensure I always paid my fair share. My parents always told me, and I have always told my children this, not to complain about paying taxes, that this investment went into the important things like health care, highways, and helping those in need.

This is what we are here to talk about today, paying our fair share, ensuring all people in Canada are paying their part so we can build a strong country, invest in those things that build our social network, and keep the standard of living balanced in our country.

We are here today because everyday hard-working people are paying their fair share, even when it hurts. While these folks are doing their part, some with so much more are finding ways to not pay their part.

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I would like to thank the NDP finance critic for bringing forward this motion, which is meant to address systemic inequalities in our fiscal system. Tax evasion, loopholes, shell companies, and tax havens are tools to avoid paying taxes. For weeks, KPMG has made headline after headline. Every couple of months we hear a similar story, creative money-peddling accountants finding a new way to cheat the system, and millionaires and billionaires finding ways to hide their money.

I want to be really clear. This money is made off the labour of someone. Their profit is at the expense of hard-working people across Canada. This is why ending tax loopholes is so important. We must look at this seriously because it is about the value of the working person. There are so many revelations that sometimes I have the urge to simply not read the articles. It is disheartening when so many people in my riding of North Island—Powell River are struggling hard every day. These stories pop up every couple of months, year after year, and we are still waiting for some real solutions.

We have all read at some point about creative money-peddling accountants finding new ways to cheat by whatever means and pushing countries in a race to the tax bottom, or pressuring the government not to take up the fight. Despite this, I still strongly think we cannot give in, that we can slowly and smartly take steps to dismantle these schemes and strengthen our Income Tax Act. This is so important. It is about the hard-working people in Canada who are paying more than their fair share, while rich people, millionaires and billionaires, are hiding their money.

I am so proud that today's motion offers some very specific examples of what Parliament should take very seriously moving forward. One example is the recent deal given to clients of KPMG, which facilitated their tax evasion, that freed them from any future civil or criminal prosecution, as well as any penalties or fines. In my riding, if people owe just a little, they are absolutely paying penalties and fines, even when it hurts them to do so.

The NDP is calling for a full investigation into the KPMG affair. Ending penalty-free amnesty deals for individuals suspected of tax evasion, a gift to wealthy tax evaders and aggressive tax avoiders, should seriously be considered. Enough is enough.

Another example is changing the corporate tax rules that allow for the use of shell companies, which serve no economic purpose other than to protect the wealth of the ultra rich. It plays an important role in large scale money laundering activities. At the heart of the Panama papers was the law firm Mossack Fonseca, which managed more than 300,000 companies over the years. This is unacceptable.

This debate is also a great stepping stone to this year's debate on the budget because of the opportunities and priorities of the budget and what they can do for all of us.

First, this is an opportunity for the finance minister, by addressing these special credits and loopholes that cost the government more than \$100 billion in forgone revenue per year. If even a portion of this sum were recuperated, it could pay for a national pharmacare program, a national child care program, and upholding equal care for first nations children. We are still waiting for that amount of money to be provided for children who are suffering across our country.

● (1255)

Second, budgets are about priorities. In my riding of North Island—Powell River last week, I participated in the Coldest Night of the Year walk. I was tremendously pleased that so many from the community of Campbell River, across the riding, and other communities came and fundraised. They know the reality of people who do not have homes, or do not have appropriate food, or struggle every day just to survive.

It is so important to remember the people who pay their fair share and fight hard just to survive every day when we see what is happening with tax loopholes and tax evasion. I am very keen to take a close look at the proposed measures in due time to ensure fairness, including fiscal fairness, is finally taken seriously. Canadians deserve that.

The Liberals have not taken tax fairness very seriously in the past, and it is time to change that. If we take a step back for a moment, we see two parties in the House defending their sad record. They will share vast amounts of numbers, like the amount invested in the Canada Revenue Agency, recapturing funds, along with many fairytales, but Canadians are not fooled by these smokescreens. They know that lost revenue is due to misguided priorities and discarded promises.

One of the broken promises has to do with the stock option deduction. After promising during the last election campaign to fully tax individual stock option gains exceeding \$100,000, the Liberals announced they would leave it untouched after they formed government. Again, hard-working Canadians are paying their fair share every day. It is only reasonable for us to hold to account those who are not paying their fair share.

We have now learned of intense lobbying by Bay Street CEOs, who benefit greatly from this measure, to keep the loophole open. At some point, we have to make the decision, and I hope the Liberal government will actually take steps toward ensuring that not only hard-working Canadians pay their fair share, but that the CEOs of companies pay their fair share as well. This loophole benefits the ultra rich, yet successive Liberal and Conservative governments have given up billions of dollars in tax revenue over the past three decades due to this loophole. The Liberals' flip-flop on the stock option loophole shows the influence that powerful insider lobbyists have on the government's policies.

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The people who have influence on my priorities are the people who I serve in North Island—Powell River, people who work really hard every day, who have had to face the challenges of a changing economy, seeing a resource-based economy, watching as forest companies struggle, and watching as trees are shipped out of the riding. They want more of those good-paying jobs in their communities and they want to ensure they are not paying more than their fair share when other people are not paying what they should be.

The government's systemic acceptance of tax fraudsters and their entities is enabling them to cheat the system. Our system allows every citizen to contribute equitably to public services and social programs. If they do not, every Canadian is cheated.

In its 2016 annual report, Oxfam blamed tax havens on income inequality for much of the widening gap between the rich and the poor. Canadians want better health care, community infrastructure, good jobs, and for us to tackle climate change. Instead, the Liberals are maintaining tax loopholes that benefit Canada's wealthiest, while leaving most Canadians behind.

Seniors are making choices among heat, medication, and housing. Families cannot afford day care or even the toonie it takes to send their kids on school trips. It is time everyone pay their fair share and stop leaving the burden on the people who work the hardest and struggle the most.

● (1300)

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, like other New Democrats who have spoken, all I can do is reinforce this. Since the Liberal Party became the government back in October 2015, the number one priority has been Canada's middle class and those aspiring to be a part of it. Those are the individuals who are influencing the government's policy today. Whether the New Democrats want to believe it at this point, quite frankly, is somewhat irrelevant. I believe Canadians understand and appreciate that our priorities are for the middle class and those aspiring to be a part of it. Our policies demonstrate that very clearly.

I have mentioned the international treaties and the \$444 million, tangible actions that have been taken to deal with the issue of tax avoidance. Could the member provide her thoughts on those two actions the government has taken? Would she not agree that this is a step forward?

Ms. Rachel Blaney: Madam Speaker, the reality for the people of North Island—Powell River who work hard every day is that they are not seeing the changes they need to see.

They want to see proper investment in their communities, in infrastructure, making sure that all of that aging infrastructure is actually cared for so that we can also see those jobs coming into our communities. They are very concerned about this cash for access that they seeing, where people with a lot of money are suddenly getting opportunities. They want to know that the government is on their side, and they are not seeing that.

The reality is the so-called middle-class tax break does not include people unless they make \$45,000 or more. That is a small amount of money that they will be getting. We want to see people who are

struggling every day, working minimum wage jobs, getting the support that they need.

As well, it is about seniors who are facing multiple challenges. They cannot afford their medication. The government is signing deals that make sure their medication costs are going to go up. When is it going to end?

Those costs are being downloaded on the people who need the most help, while the people who make the most are getting away with tax evasion. Shame on the government for not doing its job.

● (1305)

[*Translation*]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, I am particularly happy to see one of my NDP colleagues seize upon this issue, because we in the Bloc Québécois have sometimes felt a little alone when debating this matter in the past.

Earlier, I asked a question a number of times to her colleagues. In Quebec, we have ways of fighting tax evasion. When KPMG is offered an amnesty, for example, the message that is sent to fraudsters and tax avoiders is that they can try their luck, and if they are caught they will have no fine to pay, they will just have to repay what they owe. They can try their luck, and if they aren't caught, they can keep the money. That is the vision being defended by the federal government.

We are proposing a new method: as soon as an investigation is opened, the information is sent directly to Revenu Québec so it can initiate proceedings and retrieve its money if Canada does not. Earlier I asked my NDP colleagues this question twice and received no response.

I don't know if it is the word "Quebec" that is scaring my colleagues, but I would like to know their thoughts.

[*English*]

Ms. Rachel Blaney: Madam Speaker, what we are talking about is something that is so important, which is whether we are all paying our fair share. If we are not paying our fair share, what is the recourse to addressing that issue?

What we are seeing is people negotiating internally, people with a lot of resources, a lot of wealth are saying that if they get caught breaking the rules, they will just have to reimburse it, not pay a fine.

When we look at the reality of everyday Canadians who are working so hard just to save up to pay for their kids' braces or their kids' education, hoping that when their kids get bigger they can afford a pair of shoes. These are everyday Canadian realities.

Then we have the very wealthy not paying their fair share, not being held accountable, and those resources not going into making sure that they are held accountable for when they cheat the system. We need to see the government step up. We need to see actual action. We need to see some movement. It is only right that we protect the Canadians who struggle the most.

Business of Supply

Ms. Ruby Sahota (Brampton North, Lib.): Madam Speaker, before I begin, I wish to inform you that I will be splitting my time with the member for Rivière-des-Mille-Îles.

Let me begin by saying that when we have an economy that works for the middle class, we have a country that works for everyone. Since coming into office, our government has worked to bring confidence and optimism back to Canada's middle class and to help those working to join it. We remain committed to doing even more.

One of our government's first actions after coming into government was to raise taxes on the wealthiest 1%, so we could lower taxes on the middle class. We reduced the 22% federal income tax rate to 20.5% for 2016 and subsequent taxation years. This tax cut is already benefiting nearly nine million Canadians. Single individuals who benefit will see an average tax reduction of \$330 every year and couples will benefit by seeing an average tax reduction of \$540 every year. This means more money in the pockets of the middle class. To help pay for the middle-class tax cuts, 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.

Our government then proceeded with one of the most significant social policy innovations in a generation; that is, bringing in the new Canada child benefit. The CCB is giving nine out of 10 families and their children more money every month to spend on everything from school supplies to sporting equipment. Families who benefit saw an average increase in child benefits of almost \$2,300 in the 2016-17 fiscal year. The CCB has tremendously helped families in my riding of Brampton North. Raising a family in Canada can be challenging and the CCB has helped ease the financial burden for Brampton North families who need it most.

Our government is also taking important steps to make sure that Canadians today have a more secure and dignified retirement in the future. Just last week, we marked the final step in implementing the enhancement to the Canada pension plan.

Taken together, these actions will help strengthen and grow Canada's middle class and, in turn, our economy and our country will be stronger than ever before.

Let me turn to the issue brought forward by this motion today; that is, ensuring a fair tax system for Canada. We believe every Canadian must pay their fair share of taxes, period. Underground economic activity, tax evasion, and aggressive tax planning stand in the way of tax fairness. Too often, it is hard-working, middle-class Canadians, like those in my riding of Brampton North, who pick up the tab for the selfish motives of certain individual businesses that look to gain an unfair advantage. This is totally unacceptable. That is why our government has taken, and continues to take, action to crack down on tax evasion and to combat aggressive tax avoidance.

Part of the government's strategy to fight these problems includes providing the Canada Revenue Agency with sufficient resources to administer and enforce tax laws. For example, budget 2016 committed \$444.4 million to enhance the CRA's efforts to crack down on tax evasion and to combat tax avoidance by taking a number of actions. These include hiring additional auditors and specialists, developing robust business intelligence infrastructure,

increasing verification activities, and improving the quality of investigative work that targets criminal tax evaders.

Budget 2016 also invested \$351.6 million to help the CRA improve its ability to collect outstanding tax debt, which will help collect approximately another \$7.4 billion in tax debt owed to the Government of Canada.

• (1310)

Furthermore, Canada's tax system requires ongoing adjustments to ensure it is functioning as intended and contributing to the objective of the economy that works for everyone. That is why internationally Canada is actively engaged in coordinated multilateral efforts to address base erosion and profit shifting, also known as BEPS, which refers to international tax planning arrangements undertaken by multinational enterprises to inappropriately minimize their taxes.

Here at home, we are working to prevent the ability of high net worth individuals to use private corporations to inappropriately reduce or defer their taxes. To help address this, budget 2016 introduced measures to prevent business owners from multiplying access to the \$500,000 small business deduction using complex partnership and corporate structures; and to close loopholes that allow private corporations to use a life insurance policy to distribute amounts tax-free that would otherwise be taxable.

The measures I mentioned today are by no means exhaustive, but they do give a good indication of the attention that the government is placing on combatting tax evasion and avoidance. Seeking out tax evaders and avoiders is about fairness and Canadians want fairness

By taking action to prevent tax evasion and close tax loopholes, we will improve the fairness and integrity of the tax system, and contribute to fiscal sustainability, both at home and abroad. We believe that our plan is the right one to improve the integrity of Canada's tax system.

• (1315)

Ms. Linda Duncan (Edmonton Strathcona, NDP): Madam Speaker, perhaps the member can explain why her government has decided to renege on its promise to remove the tax writeoffs on the corporate tax options. It remains puzzling to us that the Liberals promise while they run and then when they get in government they say they will listen to the lobbyists.

Business of Supply

The member and her colleagues raise the issue that they are spending \$500 million of Canadian taxpayers' money over five years to try to catch tax evaders, yet they are not spending one cent to take these evaders to court and get convictions so that there will be punishment instead of gain. Simply paying back the money, what kind of a message is that to tax evaders? Okay, go ahead, follow this scheme and if they get caught they just have to pay it back but they will have profited by then anyway.

Ms. Ruby Sahota: Madam Speaker, I would like to first address my hon. colleague's question by saying that the CRA's domestic and offshore audit activities have put the government in a place to raise assessments over \$13 billion this year. That is \$13 billion back in the pockets of Canadians and back to the government. That is a good way of making sure that fairness within our system is served. The money that is being put toward the CRA is improving its efforts to catch tax fraud and tax cheats. We are working hard on that and we can see the results in the money that we are attaining as a result.

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, the member talked about the middle-class tax break and how the Liberals have invested in nine million Canadians, but for some reason they left out 17.9 million Canadians who earn \$23 an hour or less who get nothing from the middle-class tax break. The government promised also to reduce the small business tax rate from 11% to 9%, which it did not follow through with.

In the election Liberals also promised to close tax loopholes for CEOs who are the highest earners in our country, which costs Canadians about \$750 million per year. In fact, the Liberal and Conservative governments have supported tax breaks for CEOs, supported tax havens for the rich, all on the backs of Canadians.

I wonder why the government is choosing tax breaks for Canada's richest CEOs over Canada's small businesses and over the 17.9 million Canadians. Maybe the member can explain to people at home who did not get a tax break from the middle-class tax break and explain to everyday Canadians why the super rich are getting a free ride with this legal tax agreement that is the biggest economic leakage in Canadian history.

Ms. Ruby Sahota: Madam Speaker, many middle-class Canadians have benefited from our government's tax cut this year. We have also raised a lot of money by increasing the tax on the top one per cent of earners in this country. In addition, the Canada child benefit has served nine out of 10 families in Canada; we have raised 300,000 children out of poverty. Many efforts are being made to catch tax avoiders and tax cheats. Increased information-gathering capabilities and tools have been given to the CRA to access more information than ever before. The CRA is now better positioned to identify high-net-worth individuals, businesses, and organizations engaged in tax evasion. We are catching the individuals who had been avoiding taxes for years, and the government and Canadians will benefit as a result.

[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, it seems like the government is in a tight spot without even realizing it.

On the one hand, it brags and asks us to trust it because it is investing \$444 million in fighting tax evasion and plans to recover some money. On the other hand, it hosts \$1,500 cocktail parties with

people with deep pockets, those with piles of money who are granted amnesty when they are caught for tax evasion. Then, the government opposes bills that could put an end to tax evasion in tax havens.

How can we trust the government when it acts this way? It says one thing, then does something completely different.

• (1320)

[English]

Ms. Ruby Sahota: Madam Speaker, we made a promise to Canadians in this past election. Our government promised to treat the middle class as it deserves, to treat Canadians as they deserve, and those who want to join the middle class, to give them that chance to put their foot forward. We have been committed to that promise. We have lowered taxes on the middle class. We have increased taxes on the top one per cent. We have given back to Canadians through the Canada child benefit. We have taken many actions to improve the lives of Canadians and to put money back in the pockets of Canadians. The money invested in CRA is helping catch, as I have said before, those tax cheats and those tax avoiders, and that will benefit Canadians in the long run.

[Translation]

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Madam Speaker, I would first like to say that when the economy is working for the middle class, the country is working for all Canadians.

Since our government came to power, we have tried to restore the confidence and optimism of Canada's middle class and help people seeking to join it. That is the case in Rivière-des-Mille-Îles and it is the case everywhere in Canada, and we continue to be determined to do even more.

One of the first things done by our government was to reduce taxes for the middle class. We have reduced the federal income tax rate to 20.5% from 22%, for 2016 and the years after that. This tax reduction is already benefiting nearly nine million Canadians. Individuals without spouses who benefit from this will see their tax burden lightened by an average of \$330 each year, and couples who benefit will have their burden lightened by an average of \$540 each year. That means that these people will have more money in their pockets, and that will result in a stronger middle class.

To help finance this tax reduction for the middle class, the government raised taxes for the wealthiest Canadians by introducing a new personal income tax rate of 33% for individuals with taxable income in excess of \$200,000 per year.

Business of Supply

Our government then implemented one of the most important social policy innovations in a generation: the new Canada child benefit, which is helping 10,300 families, with 18,870 children, in my riding. The benefit means that nine out of 10 families with children are receiving more money each month that they can spend on things ranging from school supplies to sports equipment.

The families this measure helps have seen their child benefits rise by nearly \$2,300 per year, for the 2016-2017 benefits. For myself, my constituents in Rivière-des-Mille-Îles receive about \$530 per month. Some of the constituents I meet tell me how important the Canada child benefit is for them and for their children's welfare.

Our government is also taking important steps to ensure that young Canadians today will be able to enjoy a more secure and dignified retirement in the future. Only last week, we completed the final stage in the implementation of improvements to the Canada pension plan. This set of measures will help to strengthen the middle class and move middle-class Canadians forward.

I would now like to address the issue raised by today's motion, which is ensuring the fairness of Canada's tax system. The underground economy, tax evasion, and aggressive tax planning stand in the way of tax fairness, and too often it is hard-working middle-class Canadians who foot the bill for the selfishness of individuals and businesses looking to gain an unfair advantage.

Let us be clear: that is totally unacceptable. That is why our government continues to take action to tackle tax evasion and combat aggressive tax avoidance. As part of its strategy to counter these practices, the government provides the Canada Revenue Agency with sufficient resources to implement and enforce tax laws.

For example, the 2016 budget included a commitment of \$444.4 million to allow the Canada Revenue Agency to do even more to crack down on tax evasion and combat tax avoidance using various measures. These measures include hiring additional auditors and specialists, developing solid business intelligence infrastructure, intensifying audit activities, and improving the quality of investigative activities that target cases of criminal tax evasion.

The 2016 budget also allocated \$351 million over five years to the Canada Revenue Agency to help increase its ability to recover outstanding tax debts, which will facilitate the collection of \$7.4 billion in taxes payable to the government and to Canadians.

• (1325)

Furthermore, Canada's tax system requires constant adjustments in order to function as intended and help us achieve an economy that serves all of the people. That is why Canada is actively involved in coordinated multilateral activities at the international level to combat base erosion and profit shifting, namely international tax planning mechanisms used by multinationals to inappropriately reduce their taxes to a minimum.

In Canada, we are working to block the ability of wealthy individuals to use private companies to inappropriately reduce or defer their taxes. To address this concern, the 2016 budget contained measures to prevent business owners from taking advantage of the \$500,000 small business deduction more than once by using complex corporate and partnership structures, and to eliminate

loopholes that allow private companies to use a life insurance policy to distribute amounts tax-free which would otherwise be taxable.

The measures that I have mentioned today are by no means exhaustive. Nevertheless, they do provide a good indication of the attention the government is giving to combatting tax evasion and avoidance. Measures targeting people who engage in tax evasion are about fairness. By working to prevent tax evasion and eliminate tax loopholes, we will improve the integrity of the tax system and contribute to the sustainability of public finances at home and abroad.

I am firmly convinced that our plan is the one needed to enhance the integrity of the Canadian tax system.

[English]

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, we have watched legal tax agreements that have contributed to an increase, from \$45 billion leaving our country in 2011 to \$108 billion in 2015. These amounts are leaving Canada and going to tax havens, which is leading to what is now the greatest economic leakage in Canadian history. This does not include tax breaks for CEOs or loopholes. It is costing taxpayers over \$7 billion a year, which is about \$200 million a year per riding in Canada, and that is on the low side.

I think about what \$200 million could do in my riding. It could do all of the infrastructure upgrades in water and sewer, it could create a bunch of affordable housing units that are needed, and the list goes on and on. We know the needs are huge in our country.

Maybe the member agrees with me. Can she tell me if she supports ending these legal tax agreements, to close tax havens and stop this historic economic leakage in our country? Perhaps the member could elaborate on what she could do in her riding with \$200 million a year.

[Translation]

Ms. Linda Lapointe: Madam Speaker, I thank my dear colleague for his question.

I will leave it to the Minister of Finance to decide what he will do with the \$200 million per year in the next budget. As for what the hon. member just asked me, I will say that we have taken some vigorous measures on tax avoidance, both in Canada and overseas.

• (1330)

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Madam Speaker, I am very concerned about the way the Liberal government is managing things at this time.

Business of Supply

From feature television reports, we are learning that some big fish are taking their money and putting it in tax havens with impunity, and afterward, arrangements are made with them so that they do not pay any penalties, or if they do, only if they are caught. What is more, when they are caught, they are told that they are not obligated to pay any penalties if they make a voluntary disclosure.

Then, the numbers get fudged a little. Why does this happen? This remains a mystery to me, because while these tax havens are exploding, swimming in the money that is going down there, the Canadian middle class finds itself taxed more and more, and corporations less and less.

Why is the government closing its eyes to what is going on? Is it being told by the Bay Street financiers to do nothing?

Ms. Linda Lapointe: Madam Speaker, I thank my colleague for his question.

At the international level, it is a very lengthy process. We have taken coordinated measures with some partners, such as implementing improved disclosure standards that are approved by the G20 leaders, standards they will help us put an end to the loopholes; signing tax treaties with other administrations, thereby helping to provide information to deal harshly with persons all over the world who commit tax fraud; and honouring our international obligations to implement common standards for disclosure and reporting on the erosion of the tax base and the transfer of profits.

[*English*]

Ms. Jenny Kwan (Vancouver East, NDP): Madam Speaker, with all of these tax measures, it has been estimated that Canadians are losing out to the tune of \$100 billion in monies that should be invested in supporting Canadians. For example, the national pharmacare program is estimated to cost about \$6 billion annually. The national child care program, on the eve of International Women's Day, would be \$5 billion annually. To support indigenous children who do not have access to equal education opportunities would only cost \$155 million. I would like to ask the member, would it not be better to close the tax loopholes, shut down the tax havens, change the tax credits that the Liberals and Conservatives successively over many years continue to give away to the wealthiest, the ultra-wealthy, and the big corporations with their tax measures, and take that money and invest it in Canadians at home where it is needed?

[*Translation*]

Ms. Linda Lapointe: Madam Speaker, you spoke of tax measures. In our budget 2016, income tax rates fell from 22% to 20.5%, while the rate for people with an annual income of \$200,000 or more rose to 33%.

You spoke of supplementary expenditures in the ridings. As I mentioned in my speech, in my riding there are 10,300 families, including 18,870 children, who will benefit from this. That is equivalent to an average of \$530.

For these reasons, I believe we are managing public finances very well, and I am sure that you are very eager to see our budget 2017.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I remind the hon. member that she is to address the chair. I am not the person who made the comments that she raised.

Resuming debate, the hon. member for Elmwood—Transcona has the floor.

Mr. Daniel Blaikie (Elmwood—Transcona, NDP): Madam Speaker, before I begin my speech, I would like to inform you that I will be sharing my time with the member for Longueuil—Saint-Hubert.

[*English*]

I am pleased to rise today to talk to an issue finally that really matters to people in my riding, and if the motion were to pass, would actually do something for them. We spend a lot of time talking about various issues which the different parties bring forward, but I am not always convinced that the subject is really top of mind for my constituents.

The idea that people who in half a day make what an average Canadian worker makes in an entire year send that money to Barbados and do not pay tax on it, or who decide around the corporate board table to get paid in stock options instead of a salary and not pay the same tax on that money, is outrageous.

There is an important principle at stake here. It is one which separates the NDP from the other two traditional parties in the House which have spent a long time working together to find ways to help people who are already rich and powerful shelter their money and not pay their fair share of taxes. That is something on which Canadians want to see us take action. People where I am from want to see us take action on this.

People go out to work every day and they pay their fair share of taxes. They are also looking at their families and noticing that as their parents and grandparents age, they need help with health services. The cost of drugs is high. Yet, we have heard successive Liberal and Conservative governments, no matter what they promise in their platforms, plead poverty. They claim not to have money for a national pharmacare program. They claim it is too expensive and ask where they would get the money. It is pretty hard to believe government, whether it be Conservative or Liberal, that we do not have the money, when we see the amount of money that is bleeding out of the Canadian economy every year because people who make obscene amounts of money do not want to pay their fair share of taxes.

Business of Supply

It is hard to believe that we do not really have the money. The problem is that the Liberals and Conservatives would have to stand up to their friends in order to get it. Canadians deserve a government that is willing to stand up to corporate Canada and say, "You are here making money in Canada. You have to pay your fair share." Companies are making money in Canada and they are making that money because Canadians go to work every day and produce value for those companies. Government should stand up and tell them to pay their fair share so that when a mother gets sick and needs a certain prescription drug regimen, she can afford it. When Canadians are going out to work to produce that value for those companies, the companies should chip in their fair share so that their workers can have proper child care so that their kids have a safe place to be during the day. The workers are producing value for the people and companies that cannot be bothered to pay their fair share in taxes but instead think that sending their money to Barbados is an acceptable way to conduct themselves.

This issue is one of the main drivers for my participating in politics. I look at the old line parties, be they Liberal or Conservative, and the way they fold when powerful, rich folks come to Ottawa to tell them what to do, and I think it is disgusting. Canadians deserve better.

As an example, we thought that maybe the Liberal Party was about to kick its old habit of kowtowing to the rich and powerful in Canada in the last election when the Liberals agreed to close the stock hold loophole for CEOs. It is in black and white in the Liberals' platform. That was a promise. Nothing changed from before the election to after the election, except that the Liberals were elected. They knew they had four years in government and they did not have to keep their promises to Canadians. That was their attitude. The only thing that changed was that they were elected. Then the Bay Street lobbyists came to Ottawa, and the evidence is in the lobbying registry, and spoke to their buddy the minister of high finance and said, "Mr. Minister, please, you can't do this. It is going to cost me so much money I am going to have to get the "B" class yacht instead of the "A" class yacht."

Can the Liberals go to Canadian families and tell them there is not going to be a national pharmacare plan? Can they go to Canadian workers, the ones who are working for me, and tell them they cannot get reliable access to safe child care because people do not want to be embarrassed when they go down south for a month and their yacht is not the nicest on the dock? Imagine the nerve and the gall of what is being said in those private conversations and what is being asked of ordinary Canadians who not only need help but are working and paying their fair share for a system in this country that they want to deliver on the things they need, be it child care, be it a drug plan, be it investments in home care.

• (1335)

We have a government that is unwilling to go after tax cheats. It is giving them amnesty. Then the government is saying it does not have enough money for home care so the provinces are going to have to accept the Harper escalator on health care. If the provinces want just a little home care money that the government eked out for Canadians, which was an election promise that was to be flowed immediately, the government managed to find a little of that money

but it is not going to give it to the provinces unless they sign on to the Harper escalator.

That is where politics has gone in this country under the Liberal government. It is using promises it made and money that should have been there, that the government promised would be there, to hold provinces hostage unless they accept less health care funding overall, funding which would have a direct benefit to Canadian working families. In the meantime, the government is instructing the CRA to give amnesty to the people who are taking money out of the Canadian economy and sending it elsewhere. It is reprehensible.

We could talk about other current issues, for instance, worries about whether we have enough resources to accommodate refugees, whether we are doing our fair share when it comes to first nations and giving them what they are owed in order to get those communities back on their feet. Again, governments plead poverty, be it a Liberal government or a Conservative government. It ends up the same.

The fact of the matter is we produce a lot of wealth in Canada. If the people who are making the most, those at the top, would pay their fair share, we could afford to do these things.

There is a revenue problem in Canada. It is not because the revenue does not exist. It is not because the wealth is not being produced. It is not because we cannot pay for these things. It is because the government will not pay for it, because it means challenging its buddies. That is not fair to ordinary Canadians who are paying their fair share, who are going to work every day, and who thought they were voting for a government that was willing to do that.

The government talks about its tax cut for the middle class. The Liberals cannot define the middle class, so it is interesting to hear them use the term all the time. In fact, they put in writing that they could not define the middle class. At least we can say that the middle class according to the Liberals does not include anyone who makes under \$45,000 a year.

Then the Liberals promised they would make up for that tax cut at least by instituting a new tax on those making the most, and that that was going to be revenue neutral. Well, they did bring in that tax increase, but they did not do it on the basis of paying for the tax cut for the middle class. The people who got the most benefit out of that tax cut already make six figures. There we have it again.

The Liberals were going to do the Robin Hood thing. They were going to tax the rich, bring in a whole new tax bracket. They were going to pay for this tax cut that was supposed to be for the middle class but actually ended up being for people making six figures, and they could not even get that right. At the end of the day, they actually reduced government revenue to give a tax cut, the maximum benefit of which went to people making six figures, and in the meantime granted amnesty to the people we know are Canada's worst tax cheats.

Business of Supply

How does that square with the notion that the Liberals are going to courageously go after Canada's wealthy to give a fair shake to ordinary Canadian workers? For those in the House who are wondering and those at home who are wondering, it does not square. That is why I am glad to be sitting in a caucus of 44 people who are willing to say so and put it on the record, because if it was up to the other two parties, no one would be saying that much.

It is important to speak truth to power. It is something the Liberals promised to do, but when the Bay Street lobbyists came and the decision point came and they actually had to do the deed, they actually had to say, "Sorry, rich guys whom I really want to be friends with because you are just so cool, and maybe I will get to ride on your helicopter to a private island, but we are going to have to do something that costs you money."

When it came down to it, the Liberals could not do it. They just could not do it. The Liberals just want to fit in so badly with the rich and powerful, when they should be trying to fit in with ordinary working Canadians who go to work every day and pay their taxes, and who want to be part of a country that assesses a fair rate on everyone and does not say, "Because you make a lot of money, you are off the hook."

What is the message being sent to Canadians here? The message is that if they get caught not paying quite enough tax but make a regular income, the Liberals will come after them. The problem is they did not cheat enough. If they had just cheated more, then they would be in the category of people the Liberals do not really want to go after.

• (1340)

The message being sent to Canadians is not to cheat a little bit, but to cheat a lot. They can only do that if they make enough money to cheat that much, and if they do, the Liberals will want to be their friends. Otherwise they are just ordinary Canadians, and the Liberals cannot give them the time of day after getting elected.

Mr. Raj Grewal (Brampton East, Lib.): Madam Speaker, I thank my colleague for his passionate speech, but I have a simple question for him.

We were elected on a platform to help the middle class, and we committed to raising taxes on the wealthiest 1%. New Democrats, time and time again, speak about helping Canadians. I ask the hon. member one simple question. Why would New Democrats vote against raising taxes on the wealthiest 1% and reducing taxes for nine million Canadians who had a tax cut because of our government? That was the first piece of legislation we passed. Why do you not answer that question? Why do you not vote in favour of raising taxes on the richest Canadians and cutting taxes for the middle class?

• (1345)

The Assistant Deputy Speaker (Mrs. Carol Hughes): I ask the member for Brampton East to address questions to the Chair and not use the word "you".

The hon. member for Elmwood—Transcona.

Mr. Daniel Blaikie: Madam Speaker, I will take the opportunity to remind the member that we had proposed an amendment that would have actually changed the tax increase, not to apply to the

second bracket—and that is the reason why we get people in Canada who are making six figures and see the biggest benefit from that tax cut—but to have a tax cut in keeping with the spirit of the Liberal promise that would have happened at the first income bracket and would have benefited all working Canadians, not just the middle class, which they cannot quite define but seems to be a six-figure middle class, but everyone who is working hard in Canada. The Liberals voted against that, and I do not understand why. It was a disappointment that they were not actually willing to give a tax break to every working Canadian, so we felt we could not support their proposals.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, the member said he wants to speak truth to power. I would suggest to the member that we need to speak truth to New Democrats, because quite often what they say is questionable in its accuracy.

For example, New Democrats will say that the Liberal government is listening to the rich from Bay Street, when the reality is that the Minister of Finance and his parliamentary secretary travelled to every region of the country consulting with Canadians. What did Canadians have to say? They want to have a tax break, and that is what the government delivered.

We also provided an increase to the Canada child benefit program. We also provided a 10% increase to the most vulnerable of Canada's seniors through the GIS program. As my colleague pointed out, we also provided an increase in taxes to Canada's wealthiest. What do New Democrats have in common on all of those fronts? They voted against each and every one of them,

The Minister of Finance, this government, travelled the country, consulted in every region of the country, we brought forward a budget that reflects what Canadians want, not what Bay Street wants, and what do the NDP do? It votes against it. That is the truth of the NDP.

Mr. Daniel Blaikie: I do not think I discerned a question in that, Madam Speaker, but I will give a response nonetheless.

I think the member for Winnipeg North and I may have a philosophical difference about what it means to listen. When government members go across the country and think listening means smiling and nodding politely in town halls where ordinary Canadians speak and then go off and do whatever the heck it was they were going to do anyway, that seems to me to be the member for Winnipeg North's conception of listening.

If they mean going out and actually listening to people and then having what ordinary Canadians say inform their policy and sticking to their promises instead of caving as soon as Bay Street lawyers come down and say they do not want to pay more in taxes, then the Liberals say that is too bad and they will just disregard the promise they put in writing, then we have a different point of view.

It is our point of view that the Liberals should listen to ordinary Canadians, keep their promises, and not fold the first time Bay Street shows up on the doorstep of a newly minted minister.

Business of Supply

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I thank the member for talking about the trade-offs we are making. We are creating over \$100 billion in tax havens for the super-rich, so they can have nice yachts, as he pointed out, and probably really good chefs too.

The Liberals talk about the nine million Canadian who got middle-class tax breaks. What about the 17.9 million Canadians who did not get anything? Maybe the member could talk about the decisions the government could make right now to fix this problem.

Mr. Daniel Blaikie: Madam Speaker, the member is exactly right. We might have gotten some clarity from the Liberals in response to an Order Paper question where they were asked to define the middle class, but they could not do it.

As far as we are concerned, when we talk about the middle class and people working hard to join it, we are talking about the working class, and that includes people making under \$45,000 a year. That is why our proposal to change the Liberals' tax cut was a good one, and it was shameful that they did not endorse it.

• (1350)

[*Translation*]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Madam Speaker, we have been hearing about austerity and cuts for years. We are familiar with the refrain of successive governments in Ottawa, Quebec, and elsewhere in the world, who have been feeding us the same message for at least 30 years, the same reductive solution of having to tighten our belts and live within our means.

It is as though the public institutions that we have legitimately established were an extravagance, as though the state structure built in Quebec and Canada to better educate ourselves, to take better care of ourselves, and to develop our economy were but a fantasy.

The entire time that a thousand and one cuts were being made, the system was hemorrhaging billions of dollars. Untold billions of dollars are leaving our tax system as a result of tax evasion and tax avoidance orchestrated by accounting firms big and small on behalf of their clients, the richest individuals and businesses in Canada. They are the wealthiest 1%. These people send the profits they make in Canada to tax havens and refuse to contribute to society like everyone else does.

This has been going on for years. Not enough has been done and ordinary people have been asked to pay more for too long. It is like a plumber coming to the house and telling us that instead of repairing the huge leak that is spewing water in the street, we will have to learn to live with lower water pressure.

The use of tax havens in the Caribbean or even the British Isles, for example, where billions are tucked away, has reached historic levels. Never before have we seen such an abuse of the tax system, and it is an international problem. In 2015, the last year the Conservatives were in power, \$40 billion were transferred from Canadian bank accounts to about ten tax havens. Since 1990, \$270 billion have disappeared.

Every year, billions of dollars are stashed away in tax havens. As if that were not bad enough, the government also gives the wealthy all kinds of little tax goodies to help them save. That costs the

treasury \$100 billion a year. The Canadian Centre for Policy Alternatives is very diligent about reminding us of that.

It is easier to tell Quebeckers and Canadians that they are not living within their means than it is to confront the wealthiest 1% of CEOs about the things they do that are hurting everyone.

This is happening right before our very eyes. We are talking about multinational corporations whose products we buy every day. People who buy their coffee at Starbucks probably know that the company was at the centre of a scandal in the United Kingdom because it went for years without paying taxes by using a strategy that enabled it to remove its profits from the country to give the impression that it was not making enough money in its stores there.

Canadian businesses and banks use the same strategy. In 2009, TD Bank paid just 7.6% in taxes when everyone else was paying 32%. BCE reported profits of \$30 billion from 2004 to 2014 but paid a mere 5% in taxes. Gildan, a Montreal-based textiles manufacturer that makes t-shirts all over the world and has benefited substantially from a number of government subsidies, makes hundreds of millions in profits every year, but paid no taxes in 2009, 2010, 2011, or 2012 thanks to an address in the Caribbean.

That is all it takes to keep billions of dollars out of the Canadian tax system, and more often than not, it is completely legal and even condoned by our governments.

How is it that these companies seem to think that they do not have any responsibility to society and they do not have to contribute? How is it that our governments agreed to turn a blind eye to this sort of tax avoidance, when they have been saying for years that they need to make cuts to hospitals, schools, rail regulations, and our presence on the international stage, when they are still saying that there is not even enough money to give seniors in long-term care facilities baths?

When asked about the consequences of such practices by the CBC, André Lareau, a professor of tax law at Laval University, had this to say:

The net effect is less taxes collected by authorities in Quebec and Canada.

With millions of dollars saved by Bombardier and millions of dollars saved by all companies that use this type of vehicle, there is no way to win for Quebec or Canada, which are short a phenomenal sum.

Moreover, all this is legal. In fact, Professor Lareau said, "Canada has given them permission to do this." The Canadian government is basically encouraging the largest companies to take a tax holiday. Don't ask where the potholes come from.

Business of Supply

However, our fat cats are not the only ones exploiting the flaws in our system; we now turn a blind eye to web giants who are stuffing themselves in the online shopping buffet. E-commerce is exploding, yet the government here in Ottawa, like the Conservative government before it, continues to treat online providers from here and elsewhere differently.

While a business here has to pay taxes on its business transactions on the Internet, a company that does business online in Canada doesn't have the same obligation, a situation that is making less and less sense as e-commerce grows.

• (1355)

That is likely why the OECD is now proposing standards for the taxation of online goods and services. Basically, the Minister of Finance believes that, if a corporation has no head office or physical presence in Canada, it is not engaged in commercial activity here. He may be right when it comes to cobblers and pizzerias, but certainly not for something like Facebook, which has millions of users in Canada, and certainly not for Amazon or Apple, which compete directly with businesses here.

Any other Canadian business that dares compete with online companies is immediately at a disadvantage, simply because it will be taxed. This is especially difficult in the media industry, which is going through a very tough time. The editor of the *Winnipeg Free Press* pointed out that Canadian readers of the online edition are taxed on their subscription, but they are not taxed when they subscribe to the *New York Times* online edition. Go figure.

Five or ten years ago, companies' advertising budgets were divided between radio, Quebec and Canadian television, and national and regional media, both print and digital. Today, however, 80% of those budgets go directly out of the country, through ad placements on Facebook and Google. This amounts to hundreds of billions of dollars a year that are leaving the country without being taxed. Our media are being bled dry. Even worse, in some cases, these foreign online ad placements are even tax deductible. We know very well that, in the case of the biggest web-based multinationals, this money literally disappears.

In the United Kingdom, instead of registering its British advertising revenue and being taxed in the U.K., Facebook recently decided to move everything to Ireland and the Cayman Islands in order to avoid paying token amounts in taxes. When word got out, people reacted negatively and Facebook did some back-peddling, after a few years of a little tax holiday, because the public got upset, but more importantly, because political officials took responsibility.

Yes, I am looking at the government.

Since 2015, the British government has been a pioneer in charging an extra 25% levy on foreign corporations that try to avoid paying taxes. That was a tough pill to swallow for the likes of Facebook and Amazon, who finally started paying their taxes after having processed all their transactions through Luxembourg for years. The moral of the story is: where there is political will, tax avoidance can be beat, including when it comes to companies that do business online.

The statement by British finance minister, George Osborne, could not have been clearer: he said that their corporate tax rate was among the lowest in the world, but England expects those taxes to be paid.

Here in Ottawa, we can only dream of our Minister of Finance having that much political courage. In the meantime, this wide-scale tax avoidance is doing immeasurable harm to businesses in Quebec and Canada.

Last weekend's edition of *La Presse* called this the Swiss cheese effect because it could create holes in Quebec's economy. The same article quoted Peter Simons, the president of La Maison Simons, a very successful and well-known Quebec retailer that just opened a new store in the nearby Rideau Centre. Mr. Simons talked about how big of a problem this is for electronic commerce. He pays his taxes and his customs fees, and he pays for his products and buildings, which are taxed. However, his competitors do not do any of that.

He said it very clearly: taxes are his biggest expense. He added that it is not right for a company that conducts 90% of its operations in North America to send 99% of the profits to Luxembourg. He also added that the things that cost the most in a society are the people, education, roads, and health, and that, as a society, we need to fund our values. He went on to say that he worries that the government will fall back into a pattern of making cuts without identifying root causes. He said that he does not have all the answers but that he believes that everyone should have to pay their fair share and participate in society. Companies cannot come to Quebec and Canada and expect to do business without taking any responsibility.

That is from one of our own business people. He is worried that governments are not listening to him and not getting his message. Mr. Simons added that he is not sure the government sees any urgency here and that the legislative framework must be redefined.

The weekend edition of *La Presse* said the same thing: Our elected representatives have to do a better job of helping merchants rise to those challenges and stopping multinationals from getting around the rules.

I wish I could say that I believe Canada will change the rules to put a stop to tax havens, but the truth is that Conservative and Liberal party cronies are the ones who created those tax havens in the first place. Here are just a few of them: Graham Towers, a former governor of the Bank of Canada, was an advisor to the Government of Jamaica when that country became a tax haven. Jim MacDonald, once a high-ranking Conservative Party lawyer, drafted the Cayman Islands' tax policies when that country became a tax haven. Donald Fleming, a former Canadian minister, put together the Bahamas' tax measures when that country became a tax haven in the 1960s.

• (1400)

Paul Martin, a businessman and former Canadian prime minister, has a company registered in Barbados. In other words, lots of people—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order. I am sorry to interrupt the hon. member, but his time has expired and we must proceed with statements by members. There will be a five-minute question period after oral questions, when the subject is once again before the House.

We will now proceed with statements by members. The hon. member for Nunavut.

STATEMENTS BY MEMBERS

[English]

NUNAVUT

Hon. Hunter Tootoo (Nunavut, Ind.): *Qujannamiik uqaqti.* Madam Speaker, I stand today to honour my father Batiste, and all Inuit of his generation. They were born and raised on the land, and survived only because of what they learned from their forebears. This long line of inherited insight enabled intelligence and skill development among Inuit, and served as a true form of evidence-based knowledge. One of my dad's favourite sayings is, "There is no such thing as can't." Living by these words, his intelligence and persistence allowed him to provide solutions to the most difficult problems.

The Inuit have survived by following similar principles, and with a strong sense of community to unite them they have tackled tough circumstances together. They worked together, cared for and respected each other, and were always open to new and better ways of doing things. This is the kind of mentality that must persist in our future generations.

Therefore, I say to my dad, "I am so very grateful and proud of you, and your generation. *Nagligivagit ataata.*"

* * *

NATIONAL HOCKEY LEAGUE

Mr. Randeep Sarai (Surrey Centre, Lib.): Mr. Speaker, as a hockey dad, I know that it is every Canadian kid's dream to be in the NHL. One such dream is Surrey's own 6'4" Edmonton Oiler, number 54, Jujhar Khaira. He started playing hockey on the streets of Surrey, learning to skate, and then getting drafted to the Edmonton Oilers. On January 16, he scored his first NHL goal on the Arizona Coyotes.

In the same vein, I watched another kid grow up with a similar passion for hockey. However, instead of playing, he loved his play-by-play commentating. Many told him his dream was impossible, but he was never deterred. Harnarayan Singh created his own show, *Hockey Night in Canada Punjabi Edition*, which became infamous for his "Bonino, Bonino, Bonino, Bonino" call last year. Now he has become the first Sikh to broadcast an NHL game in English.

Congratulations to Jujhar and Harnarayan, two up-and-comers who have shown us all that in Canada everything is possible.

* * *

LANGLEY—ALDERGROVE

Mr. Mark Warawa (Langley—Aldergrove, CPC): Mr. Speaker, I had the opportunity to meet with grade 5-6 students at Langley Christian School and West Langley Elementary School. Some of Canada's brightest minds attend these schools, and will be tomorrow's leaders in science, medicine, agriculture, engineering, trades, teachers, astronauts, and, yes, Canada's first prime minister from beautiful Langley—Aldergrove. These exceptional students had great questions. They asked what an MP does. They asked about

Statements by Members

Canada's immigration and refugee policies. They want the system to be fair and safe. They ask about religious freedoms, and want protection for all faiths in Canada. They want a future with opportunities for them, with good-paying jobs. They do not want the government to borrow away their future with growing deficits that they will have to pay back with huge tax increases. They also want the government to keep its promises.

I enjoyed meeting those students. I know they will work hard and study hard. It is now our responsibility to make sure these students have opportunities for a safe and prosperous future.

* * *

ANTI-SEMITISM

Mr. Michael Levitt (York Centre, Lib.): Mr. Speaker, on February 6, a McGill student society representative incited violence against Jewish students, tweeting "punch a Zionist today". On February 19, mezuzahs were ripped off door frames, and anti-Semitic messages were found in Toronto. On February 22, a swastika and the words "gas the Jews" were found spray-painted in Hamilton. On February 27, swastikas were found on classroom walls at York University. On the February 28, the Calgary Jewish Community Centre received a bomb threat. Today, Jewish community centres in London and Toronto were threatened and evacuated.

This is just some of the recent hate targeting Jewish Canadians. I also recognize the growing hate being targeted at Muslim Canadians. Condemning these actions is not enough. We must ensure that our legal system is empowered to act against these incidents, and that justice is upheld.

* * *

● (1405)

WASTE REDUCTION WEEK

Mr. Fin Donnelly (Port Moody—Coquitlam, NDP): Mr. Speaker, each year during waste reduction week, elementary students in Port Moody—Coquitlam participate in my annual litterless lunch challenge. Many people do not realize that an average elementary school produces over 20,000 pounds of lunch waste annually. With my litterless lunch challenge, students are encouraged to pack litter-free lunches and make waste reduction a part of their everyday routine. This year, more than 530 students took up the challenge, and two winning classes set a new record by going 99% litter free.

Congratulations to Madame Boulanger's grade 4-5 class at École Rochester Elementary School in Coquitlam and Ms. Ogilvie's grade 4-5 class at Heritage Mountain Elementary School in Port Moody.

Statements by Members

A big thanks to all of the students, teachers, and parents who participated in this year's litterless lunch challenge. I hope this encourages them to continue their efforts throughout the year.

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ROYAL CANADIAN LEGION

Mr. Shaun Chen (Scarborough North, Lib.): Mr. Speaker, last month, the Scarborough Centennial Branch 614 of the Royal Canadian Legion celebrated its 50th anniversary. Named in honour of the Canadian Centennial, the branch began with 51 prospective members in 1967 and has since grown to 386 members who are part of Canada's largest organization for veterans and their families.

Not only do legion members support the brave men and women who serve our great country, they also teach our youth to remember those who made the ultimate sacrifice. Every year, Branch 614 distributes poppies in local schools to ensure that future generations never forget.

Over the decades, the branch has fundraised to give back to the community, partnering with other branches to raise over \$100,000 for the Scarborough Hospital.

[*Translation*]

As Canadians, we should be proud of the important work that legion branches do all across the country.

I want to congratulate the president, Wayne Hayes, the president of the ladies' auxiliary, June Hayes, as well as all members of Branch 614 for their 50 years of service and social outreach.

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[*English*]

INTERNATIONAL WOMEN'S DAY

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, I rise in the House today in recognition of March 8 as International Women's Day. This is a day in which we celebrate the contributions and achievements of women from all around the world. It is also a day that reminds us of the women and young girls who need our support: women who are fleeing persecution; women who are trying to survive in war-torn countries; women who are exploited through human trafficking, domestic violence, sexual assault, and rape; and women who struggle to feed their children, to find safe shelter, or try to access education.

Therefore, as we celebrate all that has been achieved over the years, let us remember how much we have yet to do. It is our responsibility as women and members of a global family to help those who continue to struggle. We should not and cannot stop until all of us are on an equal footing with equal opportunities and equal rights.

* * *

COMMUNICATION DISABILITIES ACCESS CANADA

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, founded in 2001, and located in my riding of Don Valley East, Communication Disabilities Access Canada is a national not-for-profit organization that promotes accessibility, inclusion, and human rights for people with speech and language disabilities.

[*Translation*]

Over 400,000 Canadians have speech, language, or communication disabilities not necessarily caused by hearing loss. Regardless of the cause of their disability, everyone who has a communication disorder is protected under the Canadian Charter of Rights and Freedoms.

[*English*]

Many of these people experience discrimination when looking for jobs and accessing other social services. It is therefore important to have a national strategy to ensure consistency in services available to anyone with speech and language disabilities, because accessibility is a human right.

* * *

WAGMATCOOK FIRST NATION

Hon. Mark Eyking (Sydney—Victoria, Lib.): Mr. Speaker, I rise today to recognize the eight students in grade 11 and 12 visiting Ottawa today from Wagmatcook, a beautiful first nation community nestled on the Bras D'or Lake in my riding.

The students are in the nation's capital today to learn more about leadership and Canadian politics, and to see some of the wonderful landmarks here in Ottawa. Joined by the students are teachers Vince Budge, Jackie MacLellan, and Wagmatcook CEO Brian Arbuthnot. The group has joined us here today in this chamber to witness question period, and I am sure they will be impressed.

When members of this House and their families come to visit our wonderful island of Cape Breton, I invite them to drop in to the Wagmatcook Culture and Heritage Centre to learn more about the language and history of the Mi'kmaq people and also have a delicious meal at the restaurant overlooking the beautiful Bras D'or Lake.

I ask members in the House to welcome these students, our future leaders, to Parliament Hill.

* * *

● (1410)

JUSTICE

Mr. Chris Warkentin (Grande Prairie—Mackenzie, CPC): Mr. Speaker, in 2015, Constable David Wynn was shot and killed in the line of duty. This incident was completely preventable. His killer was out on bail at the time, notwithstanding that he had 50 prior criminal convictions, 38 outstanding charges, and several failures to appear. Yet, due to a loophole in the Criminal Code, none of that was brought to the attention of the judge at the bail application hearing.

Today, Shelly MacInnis-Wynn is in Ottawa to draw attention to legislation that my colleagues have proposed that would close the loophole that cost her husband his life.

Statements by Members

In the past, the justice minister has said that she will oppose this legislation. However, I wonder today if she will put aside partisan politics. Yes, she is on the red team and my colleagues are on the blue team, but I wonder if she would consider the good that we could do by working together to honour the memory of Constable Wynn, and ensure that no family ever suffers such a great loss as to know that their loved one's death could have been prevented if only this law had been passed.

* * *

WATERLOO

Mr. Raj Saini (Kitchener Centre, Lib.): Mr. Speaker, I rise today to welcome the University of Waterloo to Parliament Hill. The University of Waterloo is celebrating its 60th anniversary this year.

[*Translation*]

The university is here today to celebrate its history of disruptive innovation and entrepreneurship.

[*English*]

It is well versed on the subject, as it is once again ranked Canada's most innovative university, a title it has held for 25 years straight.

[*Translation*]

I invite all my colleagues to join us in the parliamentary dining room this evening to meet these leaders in Canadian innovation.

[*English*]

Also, I would like to take a moment to welcome representatives from the Waterloo Regional Police Service, who are on Parliament Hill today along with their colleagues from across the country.

[*Translation*]

I am sure that all members join me in thanking all police officers for their hard work in keeping our communities safe.

* * *

INTERNATIONAL WOMEN'S DAY

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Mr. Speaker, on this day before International Women's Day, words cannot reflect the immense gratitude I feel for the women who have come before me. It is thanks to the encouragement, open-mindedness and precious advice of my mother and grandmother that I can be who I am today.

I would also like to pay tribute to my father and thank him. I worked with him for several years. My parents have always wished for my success by teaching me the workings of life, without discrimination. Women's Day is certainly a day to appreciate the progress made towards gender equality, but it is also a day to reflect on the road that our society still has to travel.

Let us remain vigilant, and denounce intolerance, sexism and injustice. Together, we must allow all the talents of our society, regardless of gender, origin, culture and religion, to continue to build our great country.

[*English*]**TAXATION**

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Mr. Speaker, the Liberal government claims to be open and transparent, yet when we asked for the numbers on how much this federal carbon tax will cost Canadians, it blacked out the numbers in the answer provided.

The Liberal government claims it wants to create jobs. My riding of Sarnia—Lambton has decisions pending on a Nova project and two other major energy projects that will create thousands of jobs if they are built here, but without certainty about how much extra cost the carbon tax will add, they are considering going to the United States, and still, the Minister of Environment and Climate Change has done nothing to reassure them or my constituents.

The Liberal government claims it wants to help the middle class and those hoping to join it, so why does it not tell us how much money this carbon tax is going to take out of the pockets of the middle class and those hoping to join it and the small businesses that are going to go out of business? Why the carbon tax cover-up?

* * *

● (1415)

DAUGHTERS OF THE VOTE

Ms. Pam Damoff (Oakville North—Burlington, Lib.): Equal Voice has coordinated a historic initiative, Daughters of the Vote, to celebrate 100 years of some women's right to vote and to inspire women to be equal participants at every political decision-making table in the country.

Tomorrow one young woman from every federal riding in Canada will be taking her MP's seat in Parliament. These 338 emerging leaders have come to share their vision for Canada. I am proud to welcome Tarini Sharma to Ottawa as Oakville North—Burlington's Daughter of the Vote.

Tomorrow, in my riding, I will be launching the young women in leadership program to offer young women in my community the opportunity to job-shadow in a local business or organization to gain career experience and confidence, an idea that came from a round table on women's empowerment I hosted on International Women's Day last year.

Today and tomorrow, we celebrate these young women.

*Oral Questions***HOUSING**

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, at the end of World War II, the federal government began investing in affordable housing in recognition of the fact that the market alone could not provide homes for all Canadians. For decades after, the federal government helped to build much of the social and co-operative housing we still see standing in our communities today. However, starting in the late 1980s, subsequent governments reduced the federal role in building affordable housing. The consequences of this lack of investment are now painfully evident in the city of Victoria, where we now have the lowest vacancy rate in Canada and some of the highest rents and housing prices. Many families and seniors cannot find housing at all.

Victoria's economy is growing. We have a thriving high-tech sector, and young families are trying to build their careers and start families. We cannot let this housing divide hold our cities back. Our municipalities and provincial governments simply cannot go it alone.

I am calling on the government to deliver a significant capital investment in social housing infrastructure in the upcoming budget and to restore the federal government's role as a leader in making sure that all Canadians have a safe place to call home.

The Speaker: Colleagues know that we do not recognize the presence or the absence of a member in the chamber. Therefore, I can say that I am delighted to recognize the hon. member for Abbotsford.

* * *

LIBERAL PARTY OF CANADA

Hon. Ed Fast (Abbotsford, CPC): Mr. Speaker, it is so good to be back in the House with my parliamentary family. I thank my colleagues for their kind words and prayers. They were very much appreciated.

Alas, upon my return, I find that the ship of state has run aground on a massive iceberg of deficits and broken promises. Listing to the left, the good ship *Sunny Ways* is awash in a sea of red ink and carbon taxes. Casting about for someone to blame, the captain has thrown his hapless first mate for democratic reform overboard. Two other shipmates have been dispatched on the diplomatic lifeboats, the *McCallum* and *Dion*. Diving for the last lifeboat, the captain realizes he does not have the cash for access and was last seen elbowing his way to the front of the line. This is a disaster of *Titanic* proportions. As the panicked caucus orchestra plays, and the good ship *Sunny Ways* slowly sinks under the sea, I can hear the captain singing, *My Heart Will Go On*.

It is so good to be back in the House.

* * *

• (1420)

[Translation]

RICHER DUBUC

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Mr. Speaker, I would like to say a few words to express our great sadness at the loss of Constable Richer Dubuc, who was stationed with the Champlain detachment in C Division of the Royal Canadian Mounted Police.

Forty-two-year-old Constable Dubuc died from injuries sustained in a car accident that occurred the evening of March 6 near Saint-Bernard-de-Lacolle in my riding. A native of Joliette, Constable Dubuc was the married father of four children. He was a seven-year veteran of the RCMP who began his career in New Brunswick and joined the Champlain detachment in January.

We mourn with his wife and four children, and we know how difficult this must be for the entire police community, especially in Quebec. On behalf of all members and all Canadians, we offer our sincere condolences to Constable Dubuc's family, friends, and colleagues. Our thoughts and prayers are with them.

The Speaker: There have been discussions among representatives of all parties in the House and all have agreed to observe a moment of silence in honour of the RCMP officer who lost his life in Saint-Bernard-de-Lacolle, Quebec.

[A moment of silence observed]

ORAL QUESTIONS

[Translation]

ETHICS

Hon. Rona Ambrose (Leader of the Opposition, CPC): Mr. Speaker, this is the first time in the history of Canada that a sitting prime minister has been under investigation by the Conflict of Interest and Ethics Commissioner. This is serious.

The Prime Minister needs to tell Canadians the truth. Did someone in the PMO or the Privy Council Office tell him that this private flight was against the rules?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, as I have said a number of times, this was a personal family vacation. I am happy to answer any questions that the Ethics Commissioner may have for me.

[English]

Hon. Rona Ambrose (Leader of the Opposition, CPC): Mr. Speaker, we know that the Prime Minister is answering the Ethics Commissioner's questions, but the Prime Minister also has a constitutional responsibility to be accountable to Canadians in the House, so we are asking him these questions on behalf of Canadians. After all, it was actually the Prime Minister who said, "As the head of government, the Prime Minister represents all Canadians and should be directly accountable to" them. He said it, so does he still believe that, or was that just a campaign slogan?

Oral Questions

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, this government works hard to serve Canadians to make sure that we are growing the middle class and supporting those working hard to join it. Of course, we take our responsibilities very seriously and continue to demonstrate the kind of openness and transparency Canadians expect of this government, particularly after 10 years of a government that did not do a good job at that.

* * *

JUSTICE

Hon. Rona Ambrose (Leader of the Opposition, CPC): Mr. Speaker, there are now dozens and dozens of serious criminal cases that are being thrown out of court, in part because the Liberals have not appointed judges to deal with them. In one case, a man is accused of breaking his two-week-old baby's ankles, and he has had his criminal charge stayed, and he may never face justice.

The irony is that the person in charge of this in the Prime Minister's Office did one thing before she left; she made sure she had her own appointment as the parachute Liberal candidate.

This does not reflect the priorities of Canadians. When will the Prime Minister get to work and appoint judges so criminals stop going free?

• (1425)

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, over the past year we have made significant appointments right across the country, including 13 judicial appointments in Alberta. The fact is, in the over 100 appointments we have made since we have come in, through a new process that demonstrates the openness and the diversity of Canada, we are happy that over 60% of our appointments are women, that 15% of the appointments are visible minorities, that over 10% are actually indigenous Canadians, and that we have Canadians living with disabilities well represented. We are demonstrating the kind of openness, transparency, and diversity that we know is a great strength for Canada.

* * *

TAXATION

Hon. Ed Fast (Abbotsford, CPC): Mr. Speaker, it really is good to be back. I had assumed that during my absence, the Liberals would finally come clean on the actual cost of their massive new carbon tax. Day after day, I watched the minister give evasive and non-transparent answers to simple questions. Clearly, the minister has something to hide and is afraid to tell us how badly the carbon tax will hurt.

To the Prime Minister, why the cover-up, and when will he finally release the unredacted report outlining the harm this tax will inflict on Canadians?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, it is wonderful to see the member opposite back in the House, but he did not use his downtime to understand what the Conservatives did not understand for 10 years in government, which is that investing in reducing our carbon emissions, in a cleaner economy, is actually a way of creating opportunities for Canadians and opportunities to grow the economy. We know that leading the way on the new economy, on the new clean jobs that are coming, is

exactly how we will create the kinds of opportunities for the middle class and those working hard to join it that Canadians expect.

Hon. Ed Fast (Abbotsford, CPC): Mr. Speaker, the Liberal environment record is a train wreck. We only have to look at Ontario, where Kathleen Wynne's skyrocketing electricity rates are bankrupting hard-working Canadians. The Prime Minister's reckless carbon tax plan follows the same blueprint. In the words of the irrepressible Rex Murphy, the green dream has been a disaster for Ontario. The last thing Canadians need is even higher energy costs. When will the Liberals finally come clean, release their carbon tax report, and let Canadians judge for themselves?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, Canadians did judge for themselves in the 2015 election, when they rejected a vision that did not understand that the way to build a strong economy is to invest in a cleaner environment. Canadians know that reducing carbon pollution and investing in the clean, green jobs of the future is exactly how we are going to grow the economy for the future. Not only did that government not get anything done on the environment, but that also hurt the economic growth of this country. This government gets that. That is why we are moving forward in responsible ways to create better jobs and a cleaner environment for future generations.

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, the Prime Minister loves to claim that he wants tax fairness, but one of the first decisions the Liberal government made was to flip-flop on a clear promise to close the CEO stock option tax loophole.

Will the Prime Minister and his Liberals vote in favour of the NDP motion and will they “flop-flip” to finally close the CEO stock option tax loophole, take aggressive action to tackle tax havens, renegotiate treaties that currently help tax evaders, and end penalty-free amnesty deals for tax evasion? Will they do that in the budget and, by the way, when is the budget?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, the very first thing we did was lower taxes on the middle class and raise them on the wealthiest 1%. We got elected on a clear commitment to help the middle class, and that is exactly what we are doing. We are ensuring that nine out of 10 Canadian families do better with the new Canada child benefit, which is going to lift 300,000 kids out of poverty.

These are the kinds of measures we put forward, which are investing both in middle-class families and in their future through historic infrastructure investments. These are the promises we are focused on delivering for Canadians. That is what Canadians expect.

*Oral Questions***CANADA REVENUE AGENCY**

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, they are on stock options.

[*Translation*]

In the KPMG agreement we saw that there are certain rules for the rich and the friends of the government and other rules for everyone else. Good luck to any owners of a family business who make a mistake on their tax return, because the government will be on their heels. If a millionaire decides not to pay his taxes, there is no problem. The government will protect him.

Can the Prime Minister assure us that his government will never offer this type of deal to white collar criminals again?

• (1430)

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, the hon. member should get his facts straight. We are currently involved in legal proceedings against KPMG, in fact. We are taking our responsibility to fight tax evasion and tax avoidance very seriously.

That is why in the last budget we invested an additional \$440 million in the Canada Revenue Agency to deal with fraudsters who avoid paying their taxes. Everyone has to pay taxes and that is exactly what we are enforcing.

[*English*]

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, again, no action on criminal action and charges.

[*Translation*]

Canadians want more than lip service. Tax fairness means that nobody is ever above the law no matter who they are or how much they earn.

If the Prime Minister really wants to ensure tax fairness, will he ask the Minister of Justice to lay criminal charges against the people involved in the KPMG scheme, or is it all just talk?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, once again, the member should get his facts straight.

The Canada Revenue Agency is currently involved in legal proceedings against KPMG. This government has a responsibility, one we take very seriously, to prosecute fraudsters and people involved in tax evasion and avoidance. That is very important to us, and we are working on it every day. We also invested an additional \$440 million in this initiative in the previous budget.

[*English*]

Hon. Thomas Mulcair (Outremont, NDP): Mr. Speaker, not one criminal case, and he knows it.

Let me raise another related issue. At a time when the term “fake news” is bandied about, when accusations of media bias risk confidence of the public in a free and independent press, we all have to stand up against interference with the media.

Does the Prime Minister believe that it is right for Revenue Canada to pay for government ads in newspapers and disguise them to look like real news articles? Does the Prime Minister find this acceptable, yes or no?

Right Hon. Justin Trudeau (Prime Minister, Lib.): Mr. Speaker, the government uses a broad range of ways to communicate with Canadians. We need to make sure that Canadians know we are working hard for them every day. These are the things that matter. Reaching out through community newspapers and through a broad range of media organizations is an effective way of ensuring Canadians get the facts and understand what their opportunities and options are.

* * *

[*Translation*]

FINANCE

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, many will recall the sad day when this government was elected on the promise of a modest deficit of just \$10 billion. The reality is that, a year ago, the Liberals voted in favour of a budget that provided for a deficit three times that amount.

According to the only game plan those folks have to return to a balanced budget, this will not happen until 2055. That is ridiculous. The Minister of Finance will probably present his budget in two weeks, or just after that.

Can the minister assure us that he will not touch the tax credits that go directly to Canadians, and that Canadians will not have to pay higher taxes with the next budget?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I can assure the House that we will continue with our plan, which is about improving the lives of middle-class Canadians. Our plan will improve economic growth. Our plan will create jobs across the country. That is how we will create more opportunities for people, for our children and grandchildren. That is what our plan is all about.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Our children, grandchildren, and great-grandchildren who are not even born yet will have to foot the bill for this plan and for this government's mismanagement. It was 40 years ago that the Prime Minister's father left public finances in a mess. The same thing is happening today.

With regard to tax credits and income splitting for seniors, can the Minister of Finance tell us that his next budget will not negatively impact seniors?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, what I can say is that we will continue with our plan to help seniors and to help the middle class. That is very important. Thanks to higher growth, we will have many more opportunities in the future. That is very important.

Thanks to our investments, we will be in a position to do more for Canadian families across the country. We now know that more jobs were created in the past six months than since 2002. Things are starting to improve.

* * *

● (1435)

[English]

INFRASTRUCTURE

Ms. Dianne L. Watts (South Surrey—White Rock, CPC): Mr. Speaker, last week a Senate committee released a report on the Liberals' infrastructure plan. It mirrors earlier comments from the parliamentary budget officer.

The committee found that the Liberals had not developed a strategic infrastructure plan and that municipalities had raised several concerns about the lack of transparency and onerous application process. This is the third independent report that raises serious concerns about the Liberals' infrastructure plan.

When will the minister start listening and develop a transparent and accountable plan that actually creates jobs and gets infrastructure built?

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, since taking office, we have worked with the provinces, municipalities, and territories and streamlined approvals as part of a phase 1 clean water, waste water, and public transit infrastructure framework design based on feedback from provinces, municipalities, and territories. Municipalities across the country and the FCM have applauded the simplicity of the new programs. We are delivering on the commitments we made to Canadians.

[Translation]

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, the Senate committee's report is clear and unequivocal, despite what the minister thinks. The Liberals have not developed a strategic plan. The Liberals have a complex and uncoordinated approach. The complex nature of this approach is disconcerting for municipalities. We did not make this up. It is in the report.

The report states that the Liberals are not being transparent, that the municipalities are having difficulty navigating the programs, and that jobs are not materializing.

Will the minister admit that his plan is just not working? What will he do? Will he continue to shut his eyes and keep repeating the same thing, like a broken record?

[English]

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, when it comes to working in collaboration and partnership with provinces, municipalities, and territories, we take no lesson from the previous government. The former government had no relationship with those organizations.

We are working on delivering on the historic commitment we made: \$180 billion over 12 years; 1,400 projects approved, with a combined investment of \$14 billion, the majority of that money going to municipalities from coast to coast to coast.

Oral Questions

TAXATION

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, according to Wikipedia, carbon black is a material produced by the incomplete combustion of heavy petroleum products such as coal tar. Carbon black is used to produce pigment for ink, the kind of ink the government is using to black out the cost of a carbon tax.

My question is this. How many tonnes of GHGs were emitted to produce the ink to cover up the cost of the carbon tax?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, I am delighted to see the member of Parliament for Abbotsford back in the House. I also see there is now a tag team where we have the member for Abbotsford and the member for Carleton saying the same thing.

Some hon. members: Oh, oh!

The Speaker: Order, please. We are all very happy about these things of course, but let us let the Minister of Environment finish her answer.

Hon. Catherine McKenna: Mr. Speaker, I am going to keep on repeating what I continue to repeat, that putting a price on carbon pollution makes good business sense. It is going to create good jobs. It is going to help create a clean growth economy. It is going to ensure a better future for our kids.

Hon. Pierre Poilievre (Carleton, CPC): Mr. Speaker, they thought they were going to have an easy day over there today, but not so fast.

Earlier today, the Prime Minister managed to sandwich into one answer both his love of the middle class and transparency and openness, while he is about to vote for a motion opposing the release of transparent information on the cost to the middle class of his very own carbon tax.

Will he do as he promised during the election and vote today to end the carbon tax cover-up so middle-class Canadians will finally know what they will pay in new Liberal taxes?

● (1440)

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, let me talk about costs.

Let us talk about the cost of inaction when it comes to tackling climate change. We know that the costs right now have risen to \$1 billion per year for Canadian taxpayers. That is to cover the costs of floods, that is to cover the costs of forest fires, and that is to cover the costs of droughts.

We know we need to take action on climate change because it is the right thing to do. It will help us ensure that we have a sustainable future, and it will create good jobs and create economic growth.

Oral Questions

[Translation]

JUSTICE

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, do you know who gave external legal advice for the KPMG scheme? It was Dentons law firm. Who organizes exclusive soirees at international tax conferences? Dentons law firm. Who attended one of these exclusive soirees last fall? Justice Boccock of the Tax Court of Canada. Who is the judge overseeing the case involving the Cooper family, which is appealing the CRA decision? You guessed it, it is Justice Boccock.

Two plus two equals four, and Canadians can see through this.

Does the Minister of Justice believe that the Canadian Judicial Council should conduct a thorough review of this judge's inappropriate behaviour?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, it was thanks to the efforts of the Canada Revenue Agency that KPMG'S offshore tax avoidance schemes were discovered. My colleague knows full well that the KPMG case is active. We are currently in court and cannot divulge any information, as that would jeopardize our efforts.

I can assure the House that the CRA is conducting a preliminary investigation into the schemes in place in the Isle of Man. The work has begun and we will see it through, as promised during the election campaign.

* * *

CANADA REVENUE AGENCY

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, when the Liberal government lets KPMG hide a rich client's money on the Isle of Man, does it consider the message it sends to honest taxpayers? It is precisely because of these practices in tax havens that we cannot properly care for our seniors or support our students.

Treaties with tax havens amount to robbery. They pay peanuts over there and send nothing back.

Will the Liberal government revisit these treaties so that these companies pay their fair share, like everyone else?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, I am terribly pleased to be able to provide information to my colleague across the way. I can say that the agency is conducting a preliminary investigation into the offshore structures of the Isle of Man. Our investments of \$444 million allowed us to hire 100 auditors last year. We managed to recover \$13 billion last year. The work has begun, and we will see it through.

* * *

[English]

FOREIGN INVESTMENT

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Mr. Speaker, the saga of the sale of the B.C. retirement homes to mysterious Chinese investors is getting murkier.

We know the Prime Minister was approached at a cash-for-access fundraiser regarding this deal. Yesterday, the Minister of Innovation,

Science and Economic Development had to stand in the House and apologize for misleading Canadians regarding the true ownership. Twenty operating licences were issued in one week. Clearly the fix was in.

One of the residents phoned me and said she was very worried about this issue and how it would affect vulnerable seniors.

Again, will the minister finally show some respect and tell these seniors who owns their home?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, again, I do not understand why the member opposite is opposed to global investment in Canada. Investment is so critical for growing our economy and creating jobs and opportunities for Canadians.

With regard to the specific transaction, we reviewed it under the Investment Canada Act. We did our due diligence. We determined it was in our overall net economic benefit. The additional resources that Cedar Tree will provide Retirement Concepts for expansion will create opportunities, growth, and jobs. That is good for British Columbia. That is good for the economy.

Mr. Todd Doherty (Cariboo—Prince George, CPC): Mr. Speaker, the reality is that the government has put tens of thousands of seniors homes and care in jeopardy. Nobody will do business with Anbang Insurance because of the murky ownership, not even Wall Street firms, but the Prime Minister will.

After lobbying at one of his many cash for access events, and after filling the coffers of the Liberal Party, Anbang was fast-tracked to buy senior care facilities in B.C. The minister then misled Canadians into thinking that these senior homes would be owned by Canadians, but yesterday he admitted that this was not true.

Will the minister finally tell Canadians who owns Anbang Insurance?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, Retirement Concepts now is managed by Canadians and it is going to be operated by Canadians to serve Canadians. It will have additional resources by Cedar Tree. These additional resources will allow the company to expand, and when it expands, that will create opportunities for seniors. These additional resources will also create economic opportunities like good-quality jobs.

We are a government that supports global investment. We believe in growing the economy. We believe in supporting the health care sector. We believe this is an overall net economic benefit. That is why we approved this transaction.

Oral Questions

●(1445)

*[Translation]***ETHICS**

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, a person of real integrity and transparency does not get caught with his hand in the cookie jar over and over again, as is the case with the Prime Minister. There are many examples of his lack of judgment. I am thinking of his \$1,500 cash-for-access parties for the rich, or his helicopter trips that violate the rules.

The more we get to know this Prime Minister, the more we see that he thinks he is above the law.

Could the Prime Minister set aside his elastic conscience and demonstrate transparency and integrity in the important decisions he must make in the interest of all Canadians?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, we always have the best interests of Canadians in all that we do. That is why we cut taxes for the middle class. That is why we are giving more to families whose children have greater needs.

The Prime Minister has said many times that he will answer all the commissioner's questions.

* * *

*[English]***GOVERNMENT ACCOUNTABILITY**

Mr. Chris Warkentin (Grande Prairie—Mackenzie, CPC): Mr. Speaker, Canadians expect the Prime Minister to answer questions in the House.

Let us review question period thus far. We have a Prime Minister who will not answer questions about his own ethical violations. We have a finance minister who continues in his carbon tax cover-up. We have a minister of industry who still will not admit to Canadians who he is selling our seniors residences to. The cover-ups, the misleading, and quite frankly the outright lack of integrity are what the Liberals have become.

When will the Prime Minister start leading the government the way Canadians expect? When will he clean up this mess?

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 rise in the House and to remind Canadians exactly what this government has been doing. We have had unprecedented levels of consultation with Canadians. We are working better with provinces, territories, and municipalities. We are making historic investments in infrastructure so that we can actually create the opportunities and make the investments Canadians need us to create. We have lowered taxes on middle-class Canadians by increasing taxes on 1% of the wealthiest Canadians. What did the Conservatives do? They voted against it every time.

*[Translation]***FOREIGN AFFAIRS**

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, in light of North Korea's actions, it is more important than ever for the international community to work toward nuclear disarmament.

It is not enough to hide behind the treaty to ban the production of fissile materials. We need to be more ambitious if we want to eliminate this threat.

My question is simple. Will Canada participate in the negotiations on nuclear disarmament taking place in New York this month, yes or no?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank my colleague for her question.

We are working hard to ensure that our children will inherit a world free of nuclear weapons. That means making tangible progress. Under our government, for the first time, Canada rallied 177 states to support a United Nations resolution calling for a fissile material cut-off treaty. That is real action, a major step toward a world free of nuclear weapons.

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*[English]***STATUS OF WOMEN**

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, on the eve of International Women's Day, the government's failure to walk the talk on feminism is in the spotlight. A new report card from Oxfam finds little progress on nearly every front and condemns the government for its complete failure to take action on pay equity. Canadian women still earn just 74¢ for every dollar that a man makes, and we have fallen dramatically in international rankings.

Does the minister really believe that women should wait even longer to get equal pay for work of equal value?

Hon. Patty Hajdu (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, our government knows that ensuring equal pay for work of equal value is critical to closing the gender wage gap, and that is why our government has moved forward to introduce proactive pay equity legislation.

We will be engaging with stakeholders and experts during the policy process to ensure that the legislation meets the goal of ensuring the right of equal pay for work of equal value.

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●(1450)

*[Translation]***FINANCE**

Mr. Greg Fergus (Hull—Aylmer, Lib.): Mr. Speaker, in my riding of Hull—Aylmer and across Canada, our plan to create long-term economic growth will help Canada's middle-class and everyone working hard to join it.

Oral Questions

Could the Minister of Finance give the House and all Canadians an update on our plan?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I have the honour to inform you that I will be presenting the next step of our plan for the middle class in the House on Wednesday, March 22, 2017, at 4 p.m. Budget 2017 will ensure our success in the economy of the future.

[*English*]

On March 22 at 4 p.m., I will present the next steps in our plan for the middle class and those working hard to join it.

Our budget will create jobs and invest in our communities. I will just keep talking—

The Speaker: The hon. member for Barrie—Innisfil.

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GOVERNMENT APPOINTMENTS

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, folks should hang on to their wallets.

First, it was the unsavoury Liberal cash-for-access scheme, and now Markham—Thornhill Liberal candidate Mary Ng is selling herself as a Liberal insider in the PMO who hand-picked members of Canada's Immigration and Refugee Board, who make decisions on who can immigrate to Canada, but she only did this in the Chinese language version of her campaign news release.

How can Canadians have confidence in the appointment process when Liberal candidate Mary Ng is suggesting to a select group of voters that she will have influence over the fate of their immigration applications, as a member of Parliament?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, as we committed to Canadians, we introduced a new government-wide appointments process that is open, transparent, and merit based.

Our approach will result in the recommendations of high-quality candidates to achieve gender parity and truly reflect Canada's diversity.

The new selection process reflects the fundamental role that many Canadians play in our democracy as they serve on commissions, boards, crown corporations, agencies, and tribunals across the country.

All opportunities to serve are transparently available online.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Nobody is buying that. Mr. Speaker, in true Liberal fashion, Liberal candidate and former director of appointments for the Prime Minister Mary Ng started campaigning before she pushed John McCallum out the door.

Mary Ng would have overseen many appointments in the Prime Minister's Office, but chose to highlight in her foreign language campaign release that she was responsible for matters regarding the appointment of members to the Immigration and Refugee Board.

Can the Minister of Immigration, Refugees and Citizenship ensure that the integrity of the Immigration and Refugee Board has not been compromised as a result of Mary Ng's political ambitions?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, we are actually very proud of the new process that we have introduced and that Canadians from coast to coast to coast can actually apply.

We recognize the importance of these roles within government and these opportunities, and that is why all opportunities to apply are available online. I encourage Canadians to apply.

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, we know the Prime Minister believes he can pick and choose how to interpret the laws and regulations that members of this House are sworn to respect.

We have seen the PM and members of cabinet ignore, actually break, his own ethics guidelines and his promises.

Is that why, after a year and a half in majority government, the PM has yet to fill vacant watchdog positions that govern elections, official languages, lobbying, and ethics.

Does the PM believe it is more important to get his appointments secretary a parachuted seat in Parliament than appointing watchdogs who might call him to account?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, while the Conservatives were busy making appointments at the 11th hour, this government is committed to a new process, a merit-based process, where we look at gender parity, bilingualism, and the importance of our diversity.

This government recognizes that diversity is our strength, and that is why we have introduced a new merit-based appointment process. We have delivered on exactly what we committed to Canadians.

All opportunities are available online, and I encourage Canadians to apply.

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FOREIGN AFFAIRS

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, it is only a year and a half until the next election.

The PM has yet to explain the logic that led to the highly unusual housecleaning of two sitting cabinet ministers to appointments he characterized as ambassadorial. Not only was the dual assignment of Stéphane Dion to Germany and EU characterized as amateur hour by a former Canadian ambassador, but then we learned that the Liberal order in council described both men merely as special advisors to the Minister of Foreign Affairs.

Again, this is for the Prime Minister. Where is the logic? Where is the traditional diplomatic respect to our hosts?

Oral Questions

●(1455)

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, I would like to quote the leader of the official opposition. In January, she said:

Canadians...want and need passionate people to represent them, people who... understand the issues in minute detail, and vigorously defend their positions.

Speaking of Monsieur Dion, she added, “The member opposite epitomized all that and more”.

I agree. Canadians can be assured that we will be well represented by Monsieur Dion in Berlin and Brussels.

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[Translation]

OFFICIAL LANGUAGES

Mr. François Choquette (Drummond, NDP): Mr. Speaker, according to the report by the Commissioner of Official Languages, the Minister of Immigration is failing to meet his obligations under the law.

Immigration, Refugees and Citizenship Canada does not respect the equality of both official languages, since the French test is more expensive and less accessible than the English test for permanent residence applications. The minister has not taken any action to date to rectify the situation.

Does the minister intend to act on the commissioner’s recommendations in order to bring his department into compliance with its obligations under the Official Languages Act?

[English]

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, I am very much committed to the Official Languages Act, and my department is working very closely to make sure that the availability and costs between the two official language tests are equal. My department is working very closely with the businesses and organizations that determine and offer these tests to potential applicants to immigration services. We are working very closely with them to address this issue.

* * *

HEALTH

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, increasing numbers of Canadians are suffering from Lyme disease and the lack of effective treatment. Most people are forced to seek health care outside of Canada at huge personal expense; yet the government's proposed framework fails to meet the needs of patients and their families. In fact, more than 30,000 Canadians have signed a petition to scrap the government's plan.

Will the government commit to creating a framework for Lyme disease that actually provides the care so desperately needed?

Hon. Jane Philpott (Minister of Health, Lib.): Mr. Speaker, our government recognizes the impact that Lyme disease has on Canadians and their families. We had discussions at a conference to develop a federal framework on Lyme disease that was held last year, with more than 500 people participating. As a result of that, there is a framework available online. It has been open for consultation until tomorrow. It has had great interaction with a

number of members of the House, as well as the general public. We are going to consider all input on the final draft version, and that will be posted in May of 2017.

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JUSTICE

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, during their first year in government, the Liberals only appointed 34 superior court judges. In the previous year, our Conservative government appointed 96 judges. Every day we are seeing evidence that the Liberals are making a mess of our judicial system. I want to know this from them. Why are they putting it at risk? When are they going to get their act together?

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I take incredibly seriously the opportunity that I have to appoint superior court justices across the country. I am proud of the appointments I have made thus far, and I am very proud of the renewed judicial appointments process, including the judicial advisory council that will provide recommended and highly recommended candidates to sit on our superior courts.

We are doing this to ensure diversity in terms of the judges who sit on the superior courts, who represent the face of Canada. We will be making judicial appointments on an ongoing basis in the near future.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Mr. Speaker, today I had the honour to stand with Constable Wynn's widow, who was in Ottawa to talk about the importance of Wynn's law. Wynn's law would close a loophole in the Criminal Code that helped cost Constable Wynn his life.

I know that the Minister of Justice met with Ms. MacInnis-Wynn, and I thank her for that. However, since the minister opposes Wynn's law, could the minister explain just when it is okay for the criminal history of a bail applicant not to be disclosed?

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first of all, as the member opposite said, I had the great pleasure of sitting down with Mrs. Wynn. I want to reiterate in this House an acknowledgement and great empathy for the loss that she has suffered. We spoke about what I am committed to doing in terms of modernizing the criminal justice system, improving the efficiency and effectiveness, and ensuring that we look at bail reform. This is why I am working with my counterparts in the provinces and territories. It is why we have empowered the Steering Committee on Justice Efficiencies and Access to the Justice System to look at specific aspects of bail reform. We are going to continue to move forward collaboratively.

Oral Questions

● (1500)

CANADIAN HERITAGE

Hon. Peter Van Loan (York—Simcoe, CPC): Mr. Speaker, the Liberal war on history is marching relentlessly forward. The most recent victim is a Canadian crusader for human rights, a pioneer in the global struggle against apartheid in South Africa. A champion of the little guy, he gave us our Canadian Bill of Rights. This is why the Government of Canada honoured his legacy by establishing the John Diefenbaker Defender of Human Rights and Freedom Award. The award has recognized individuals fighting for freedom and democracy around the world. Yet, as it did with the Canada 150 medals, the Liberal government is in the process of abolishing that John Diefenbaker award.

Why is there this Liberal war on history?

Hon. Mélanie Joly (Minister of Canadian Heritage, Lib.): Mr. Speaker, Canada's 150th anniversary of Confederation is a unique opportunity to bring Canadians together and strengthen their connection to our communities by inspiring a vision of a vibrant, diverse, and inclusive country. As part of the celebration, we are focusing on engaging young people, celebrating diversity and inclusion, and encouraging a national reconciliation with the indigenous people of this land.

Our government is proud to support and promote initiatives that will inspire a generation of Canadians to help build Canada's future and create a lasting economic, cultural, and social legacy for our country.

* * *

[Translation]

INFRASTRUCTURE

Mr. Pat Finnigan (Miramichi—Grand Lake, Lib.): Mr. Speaker, the Anderson Bridge, which spans the Southwest Miramichi, constitutes important strategic infrastructure for the security and economy of the communities on both sides of this majestic river.

[English]

As the safety and capacity of the bridge has been downgraded due to the failing 60-year-old structure, would the Minister of Infrastructure and Communities give this House an update as to how our infrastructure program will contribute to the upgrade of this bridge?

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, I want to thank the member for Miramichi—Grand Lake for his hard work on behalf of his constituents.

Last week, our government, in collaboration with the Government of New Brunswick, announced more than \$94 million in combined funding to replace the Anderson Bridge. This investment will ensure that the bridge remains a key link for travel, trade, and daily life between northern and southern New Brunswick for years to come.

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INTERNATIONAL TRADE

Mr. David Yurdiga (Fort McMurray—Cold Lake, CPC): Mr. Speaker, last week the Minister of Finance showed up in my riding

to announce that he was failing northern Albertans. Instead of adopting the recommendations of the trade tribunal about the drywall tariff, he offered half measures.

Liberal duties on drywall are hurting all western Canadians and those rebuilding their lives in Fort McMurray. Why is the minister ignoring the recommendations of the tribunal and continuing to collect massive amounts of new taxes from the people who are suffering?

Hon. Bill Morneau (Minister of Finance, Lib.): Mr. Speaker, I was very pleased to go to Fort McMurray last week in particular to talk about how we can ensure that the people in Fort McMurray as they rebuild their homes and as the drywall contractors purchase drywall have a stable market, so they can understand the price of drywall. That is important.

What we also did was we took the tariffs that had been levied for the three months before, that \$12 million, and said we were going to put that in a fund so that those people who had been harmed by fixed-priced contracts could apply to get that money to help their families and help the drywall contractors.

We are proud to help the people of Fort McMurray in a time of challenge.

* * *

FISHERIES AND OCEANS

Ms. Rachel Blaney (North Island—Powell River, NDP): Mr. Speaker, the Liberal government proposed the oceans protection plan, promising a world-class spill response. People on the ground are watching.

Yesterday, the Minister of Fisheries, Oceans and the Canadian Coast Guard said that the Coast Guard and responders reacted very quickly to contain a spill and to clean up the spill. It took nine hours for the first booms and a few absorbent pads to be dispersed haphazardly and only near the fish pens.

Is this what the minister considers a quick response? If this is Canada's world-class response, we may have a problem.

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, we do not have a problem, because this government is investing massively in marine safety and environmental protection. The Prime Minister was in British Columbia in November and announced the historic investment of \$1.5 billion to ensure that the Canadian Coast Guard and Transport Canada can provide that world-class oceans protection that Canadians expect.

We will continue to work with the provinces, indigenous communities, and all those partners across the country to ensure that we have the best marine response system in the world.

Oral Questions

● (1505)

Mr. Seamus O'Regan (St. John's South—Mount Pearl, Lib.): Mr. Speaker, marine incidents can happen anywhere in the world and there is no one approach that works best in all cases. Today, the east coast of Canada has some of the busiest shipping routes in the country. Marine shipping has always been a part of Atlantic Canada's identity, which explains our region's strong history of, and commitment to, marine transportation safety.

Would the minister please inform Canadians of some of the measures he is taking in my province of Newfoundland and Labrador and in the Maritimes?

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, as my colleague knows, the Canadian Coast Guard is the backbone for one of the safest marine systems in the world. As I indicated earlier, the Prime Minister announced a historic investment to improve marine safety on all of Canada's coasts. This will have a major impact in the great province of Newfoundland and Labrador. We will reopen the St. John's maritime rescue sub-centre which was closed by the previous government. This will boost emergency response capacity. We will refurbish the St. Anthony lifeboat station, and what is more, we are opening two new lifeboat stations in Newfoundland and Labrador.

[Translation]

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Mr. Speaker, the arrival of the Asian carp poses a serious threat. Following the Great Lakes and catches in Toronto, it is now in the St. Lawrence River in Quebec.

The federal government needs to take action to eliminate this species that is endangering our fish species for the sport fishery and the very popular ice fishery, which are major economic activities for our regions.

Will the Minister of Fisheries, Oceans and the Canadian Coast Guard take action on this issue and quickly deploy an effective response plan?

Hon. Dominic LeBlanc (Minister of Fisheries, Oceans and the Canadian Coast Guard, Lib.): Mr. Speaker, it appears that my colleagues missed what I have said in recent days.

I can tell my hon. colleague that the answer is yes. We are taking these threats seriously. That is why we are working with our partners, the Canadian provinces and the United States, to invest not only in the science needed to counter these threats, but also in the infrastructure to ensure that these invasive species are not in Canadian waters. We will continue to improve our efforts in this area throughout Canada.

* * *

CANADA REVENUE AGENCY

Mr. Rhéal Fortin (Rivière-du-Nord, BQ): Mr. Speaker, more than five years since the Isle of Man fraud was discovered, the government has still not laid criminal charges against KPMG. Instead, they were awarded contracts totalling \$92 million of our dollars.

In a similar case, in the United States, KPMG was threatened with being declared a criminal organization. It was fined half a million

dollars, its tax department was closed, and nine executives were criminally prosecuted, with two of them sent to prison.

Will this government stop awarding contracts to KPMG and will it prosecute this company, which shows the rich how to cheat on their taxes?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, I will repeat the information for my colleague in the back who does not seem to understand the words I am speaking.

It is thanks to the efforts of the Canada Revenue Agency that KPMG's schemes were discovered abroad. The case is currently under way. Although we cannot provide any information, I can assure the House that we are continuing the work we said we would do during the last campaign. We will continue to do what we promised to Canadians.

Mr. Gabriel Ste-Marie (Joliette, BQ): Mr. Speaker, I do not buy it.

Canada is so buddy-buddy with tax havens that it speaks on their behalf at the IMF. Canada is a spokesperson for tax havens. No kidding. Canada speaks on behalf of Barbados, the Bahamas, and a dozen other tax havens.

Is the government trying to pull the wool over our eyes with its claims about fighting tax fraud when we all know it is a spokesperson for tax havens?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, last year, in our first budget, we made a historic \$444 million investment. Let me make this perfectly clear: I can assure the House that tax frauds can no longer hide. We are taking this matter very seriously, and those who choose to participate in such schemes will pay the price. Canadians expect nothing less from us.

● (1510)

Mr. Gabriel Ste-Marie: Mr. Speaker, I seek unanimous consent to table the IMF documents. All of these documents show that Canada speaks on behalf of tax havens.

Some hon. members: No.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in the gallery of the Hon. Bill Fraser, Minister of Transportation and Infrastructure and Minister responsible for the Northern and Miramichi Funds for the Province of New Brunswick.

Some hon. members: Hear, hear!

*Business of Supply***GOVERNMENT ORDERS**

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—IMPACT OF CARBON TAXES

The House resumed from February 23 consideration of the motion.

The Speaker: It being 3:10 p.m., pursuant to order made Thursday, February 23, the House will now proceed to the taking of the deferred recorded division on the motion relating to the business of supply.

• (1520)

[English]

(The House divided on the motion, which was negated on the following division:)

*(Division No. 206)***YEAS**

Members

Aboultatif	Albas
Albrecht	Ambrose
Anderson	Arnold
Barlow	Bergen
Berthold	Block
Brassard	Brown
Carrie	Clement
Cooper	Deltell
Diotte	Doherty
Dreeshen	Eglinski
Falk	Fast
Finley	Généreux
Genuis	Gladu
Godin	Gourde
Harder	Hoback
Jeneroux	Kelly
Kent	Kitchen
Kmiec	Lake
Lauzon (Stormont—Dundas—South Glengarry)	Leitch
Liepert	Lobb
Lukiwski	MacKenzie
Maguire	McCauley (Edmonton West)
McColeman	McLeod (Kamloops—Thompson—Cariboo)
Motz	Nater
Nicholson	Poilievre
Raitt	Rayes
Reid	Rempel
Richards	Ritz
Saroya	Schmale
Shields	Sopuck
Stanton	Stubbs
Sweet	Tilson
Trost	Van Kesteren
Van Loan	Vecchio
Wagantall	Warawa
Warkentin	Watts
Waugh	Webber
Wong	Yurdiga

Zimmer — 77

NAYS

Members

Aldag	Alghabra
Amos	Anandasangaree
Arseneault	Arya
Aubin	Ayoub
Badawey	Bagnell
Bains	Barsalou-Duval
Baylis	Beaulieu
Beech	Bibeau

Bittle	Blaikie
Blair	Blaney (North Island—Powell River)
Boissonnault	Bossio
Boudrias	Boulerice
Boutin-Sweet	Bratina
Breton	Brison
Brosseau	Caesar-Chavannes
Cannings	Casey (Cumberland—Colchester)
Casey (Charlottetown)	Chagger
Chen	Choquette
Christopherson	Cornier
Cullen	Cuzner
Dabrusin	Damoff
Davies	DeCoursey
Dhaliwal	Dhillon
Di Iorio	Donnelly
Drouin	Dubé
Dubourg	Duclos
Duguid	Duncan (Etobicoke North)
Duncan (Edmonton Strathcona)	Dusseau
Duvall	Dzerowicz
Easter	Ehsassi
El-Khoury	Ellis
Erskine-Smith	Eyking
Eyolfson	Fergus
Fillmore	Finnigan
Fonseca	Foote
Fortin	Fragiskatos
Fraser (West Nova)	Fraser (Central Nova)
Freeland	Gameau
Gill	Goldsmith-Jones
Goodale	Gould
Graham	Grewal
Hajdu	Hardcastle
Hardie	Harvey
Hehr	Holland
Housefather	Hughes
Hussen	Hutchings
Iacono	Johns
Joly	Jones
Jordan	Jowhari
Julian	Kang
Khalid	Khera
Kwan	Lametti
Lamoureux	Lapointe
Lauzon (Argenteuil—La Petite-Nation)	Laverdière
LeBlanc	Lebouthillier
Lefebvre	Lemieux
Leslie	Levitt
Lightbound	Lockhart
Long	Longfield
Ludwig	MacGregor
MacKinnon (Gatineau)	Malcolmson
Maloney	Marcil
Masse (Windsor West)	Massé (Avignon—La Mitis—Matane—Matapédia)
Mathysen	May (Cambridge)
May (Saanich—Gulf Islands)	McCrimmon
McDonald	McGuinty
McKay	McKenna
McKinnon (Coquitlam—Port Coquitlam)	McLeod (Northwest Territories)
Mendès	Medicino
Mihychuk	Miller (Ville-Marie—Le Sud-Ouest—Île-des-Soeurs)
Socurs	Morneau
Monsef	Mulcair
Morrissey	Nantel
Murray	Nault
Nassif	Oliphant
O'Connell	O'Regan
Oliver	Paradis
Ouellette	Peschisolido
Pauzé	Petitpas Taylor
Peterson	Picard
Philpott	Poissant
Plamondon	Qualtrough
Quach	Rankin
Ramsey	Rioux
Ratansi	Romanado
Rodriguez	Rudd
Rota	Rusnak
Ruimy	Sahota
Saganash	Sajjan
Saini	Sangha
Sanson	Sara
Sansoucy	

Business of Supply

Scarpaleggia
Schulte
Sgro
Sheehan
Sidhu (Brampton South)
Simms
Sorbara
Stewart
Tan
Thériault
Trudeau
Vandal
Vaughan
Weir
Wilkinson
Wrzesnewskyj
Zahid— 215

Schiefke
Serré
Shanahan
Sidhu (Mission—Matsqui—Fraser Canyon)
Sikand
Sohi
Ste-Marie
Tabbara
Tassi
Tootoo
Trudel
Vandenbeld
Virani
Whalen
Wilson-Raybould
Young

● (1525)

[*Translation*]

Mr. Pierre Nantel (Longueuil—Saint-Hubert, NDP): Mr. Speaker, I thank my colleague for his question as well as the overview he gave. I often find him to be a little long-winded but this time, it was very appropriate to reset the scene.

Investing \$444 million to form a squad to go after those tax shelters and people who profit from them, who are clearly abusing the system, is great. Investing the money needed is great, but that said, we need to see some results. For instance, during question period today, it did not exactly reassure us to hear the Minister of Finance reply with the same old broken record.

The truth is, we would like to see the government show some international leadership on coordination efforts, or regarding companies that take advantage of tax shelters by hiding their profits in places that are clearly in on it. We want to see a government that wants to resolve the problem and take the lead on this. For months I have been asking the Minister of Canadian Heritage whether she got the message to the Minister of Finance and whether the government is finally going to collect GST and provincial taxes on international services that are provided over the Internet. We have not received an answer. That is the least the government could do. Canadians want to see companies pay their fair share.

[*English*]

Mr. Gord Johns (Courtenay—Alberni, NDP): Mr. Speaker, I want to thank the hon. member for his great speech breaking down the impact of tax havens and legal tax loopholes here in our country, which have cost Canadians, as he stated, more than \$200 billion over the last couple of decades. When we put that together, that is as much as the whole national infrastructure deficit in our whole country. That means that every street and every pipe could be fixed right now had we closed those loopholes created by consecutive Liberal and Conservative governments.

We can break that down and look at tax havens alone. These are legal tax havens. I am not talking about those who are breaking the law. I appreciate the government taking action to go after tax cheats, but I am talking about legal loopholes that need to be closed, which are costing us at least \$7 billion a year. When we break that down by 338 ridings across Canada, that is more than \$200 million a year per riding.

What would the member do with \$200 million in his riding? What does the member think we could do with \$7 billion across Canada if we just did the right thing and ended these tax agreements?

[*Translation*]

Mr. Pierre Nantel: Mr. Speaker, I thank my colleague for the question. I also appreciate his knowledge on this topic. He provided some clarifications to my response to the member opposite.

It is quite clear that over the years a tax evasion policy, a tax haven policy, has taken hold. Companies, especially multinationals, have been able to choose where to deposit their profits. It is wrong. It makes no sense. Any normal person can see that this is not right. This would be a non-issue if we lived in a society where everyone's needs were met, but when we have a hard time bathing our seniors, this money could evidently be put to good use.

PAIRED

Members

Fry

Moore— 2

The Speaker: I declare the motion defeated.

I wish to inform the House that because of the deferred recorded divisions, government orders will be extended by eight and a half minutes.

[*Translation*]

OPPOSITION MOTION—TAX FAIRNESS

The House resumed consideration of the motion.

Le Président: There are five minutes remaining for questions and comments following the speech by the hon. member for Longueuil—Saint-Hubert.

The hon. Parliamentary Secretary to the Leader of the Government in the House of Commons.

[*English*]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would like to give a bit of an overview as we get restarted on this debate.

The Liberal Party has taken the issue of tax fairness as one of those foundational pillars in terms of being an issue that we believe is good for Canada's middle class. When we think of tax fairness, we can talk about the middle-class tax break in the last budget. We can talk about the tax increase on Canada's wealthiest. We can talk about some of the other benefits, like the Canada child benefit, which lifts literally thousands of children out of poverty, or the seniors GIS 10% increase, which will, again, lift tens of thousands of seniors out of poverty.

We have seen a holistic approach in dealing with the issue of tax fairness. That is something the government has heard loud and clear from Canadians, and we are acting on it.

One aspect of the budget was to allocate \$444 million towards fighting tax evasion. I wonder if the member could provide some comment on whether he believes that this specific measure will be able to reap the rewards in terms of getting those who are trying to avoid paying taxes to pay their fair share, something we, as the government, want to see happen.

Business of Supply

[English]

Ms. Julie Dzerowicz (Davenport, Lib.): Mr. Speaker, I will be sharing my time with the member for Joliette.

It is a pleasure for me to rise today to speak to the House on behalf of my riding of Davenport on this opposition day motion on tax avoidance. Tax avoidance was one of the top issues that Davenport residents had written to me about a year ago. It was an issue that actually caused quite a bit of consternation in my riding after the stories of the Panama papers came out.

For those who might not remember the Panama papers, it was a huge leak of documents that basically lifted the lid on how many rich and powerful people in the world have used tax havens to hide their wealth and avoid paying taxes.

Davenport residents wrote to me and said they were okay with paying their taxes, but they were upset to hear that there are corporations and rich individuals hiding their wealth and not paying their fair share. I could go into a little more of what they said later, but I will continue by talking about what our government has been doing in tackling this issue, and we have been very aggressive.

The government knows that offshore tax evasion and aggressive tax avoidance come at a great cost to society and that all Canadians pay the price. Tax evasion deprives the government of money that could be spent on programs and services for Canadians. Public investments in everything from health and education to research and development are shortchanged every time someone breaks Canada's tax laws. That is why we are taking decisive action to crack down on offshore tax avoidance and tax evasion.

Last year alone, the Government of Canada invested \$444 million in budget 2016 to empower the Canada Revenue Agency to aggressively pursue those who think they are above the law. I can assure my hon. colleagues in the House that the agency is putting this money to good use. It is focusing resources in areas of the highest risk. It is identifying tax cheats, and it is penalizing those caught contravening the law.

In Canada, CRA auditors conduct more than 120,000 audits every year. Last year alone, that resulted in a fiscal impact assessed at more than \$12 billion in taxes, penalties, and interest. Close to \$8 billion of that amount, about two-thirds, involves large multinational businesses and high-net-worth individuals, including those with offshore transactions.

With the new infusion of funds—the almost half a billion dollars I was talking about—the CRA has increased the number of auditors reviewing offshore tax schemes and the promoters of those schemes. For the 2015-2016 fiscal year, the CRA completed more than 13,000 audits related to aggressive tax planning. That led to an extra \$2 billion in the public purse.

As another statistic to add, I know that the CRA will continue to increase the application of penalties to all cases of serious tax cheating. To date, the agency has levied over \$218 million in third party penalties against promoters and tax preparers who advise their clients to participate in tax shelter donation schemes.

To be clear, many people move money back and forth between countries for entirely legitimate reasons. These are not the people

whom the CRA is targeting. The CRA is targeting individuals and companies that promote nefarious tax schemes, or capitalize on them to avoid paying taxes.

I want to be equally clear that anyone engaging in these activities can face serious consequences if they are caught. Tax evasion can lead to criminal prosecution, fines, and jail time. It is the CRA's criminal investigations program that investigates suspected cases of tax evasion, fraud, and other serious violations of tax laws. If it finds grounds for action, it recommends cases to the Public Prosecution Service of Canada for criminal prosecution.

During the five-year period between April 1, 2011, and March 31, 2016, 42 Canadian taxpayers were convicted for tax evasion, with links to money and assets held offshore. In total, the \$34 million in evaded taxes resulted in court fines of \$12 million and 734 months of jail time.

● (1530)

Over the same period, total domestic- and offshore-related criminal convictions resulted in 508 convictions, involving approximately \$120 million in evaded federal taxes. That led to \$40 million in court fines and 2,930 months of jail time for tax cheaters. The CRA is currently conducting audits on more than 820 taxpayer offshore files, and criminally investigating more than 20 cases of tax evasion.

I have just mentioned a whole slew of numbers. However, I want to reiterate something that our Prime Minister said in the House of Commons today during question period, which is that, with respect to tax evasion, this government works on a very strong principle, and that principle is that we hold people to account when they are involved in tax evasion, when they are not paying their fair share of taxes, whether they are individuals or corporations.

With respect to recent media reports in relation to the KPMG offshore structures, the CRA continues to take action on a number of fronts, including actively pursuing the matter to its fullest extent in the courts. Going further, by analyzing additional information, the agency has uncovered a number of additional tax schemes set up in the Isle of Man, which many people may not know is an island right in the middle of the Irish Sea. The CRA is analyzing these additional structures to identify any similarities with the KPMG scheme, and will take all necessary compliance actions where appropriate.

However, these are not the only issues on which this government is focused. Whether they are complex corporate structures using offshore jurisdictions of concern or profit-shifting schemes to evade or avoid taxes, the CRA is committed to addressing any and all cases of non-compliance. For example, the CRA has more than 76 taxpayer audits under way related to the Panama papers. It has executed search warrants, and several criminal investigations are ongoing, involving both participants and facilitators. In short, the trap is closing, and those prepared to play fast and loose with the rules will be held to account.

Business of Supply

The CRA also intends to review 100,000 files in 2017 involving electronic transfers of funds between Canada and four jurisdictions of concern. The agency is building the business intelligence and the data-mining capability to eventually review all electronic fund transfers in real time. Canadians can be assured that 100% of the transactions that do not make sense or are considered high risk will be reviewed, and appropriate compliance action will take place.

Aggressive, comprehensive audits are only part of the agency's strategy to go after tax evaders. The CRA is also enhancing its efforts on a number of fronts, including expanded systems for information sharing, legal expertise, and targeted compliance activities aimed at high-risk and high-wealth taxpayers.

Globally, the Government of Canada works with its international partners through the OECD forum on tax administration. Member countries promote international tax standards, reduce tax barriers, create better opportunities for Canadian businesses, and increase transparency around global issues. They also coordinate strategies to ensure individuals and multinationals are not hiding money and assets offshore.

The government continues to sign tax treaties with other jurisdictions. This provides further information that enables Canada, and our partners, to crack down on tax cheats worldwide.

In addition, the offshore compliance advisory committee, reporting to the Minister of National Revenue, provided its first report to the CRA in December 2016. The report included recommendations for tightening up the voluntary disclosure program. The CRA is carefully reviewing the program to ensure it continues to promote the right taxpayer behaviour.

Collectively, these measures are expected to have a fiscal impact of an additional \$2.6 billion for the crown over the next five years.

We are committed to all of this, and we will build on all of these achievements. Last month, the government tabled its response to the report by the House of Commons finance committee entitled "The Canada Revenue Agency, Tax Avoidance and Tax Evasion: Recommended Actions". That report made it clear that the Government of Canada supports the committee's recommendations and will continue to evolve its approach on offshore non-compliance to generate even better results.

It was a pleasure for me to speak on behalf of the residents of Davenport on this very important issue. I now welcome questions from my colleagues.

• (1535)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, the member talked about a couple of points. First, she may want to correct the record about the government investing this amount of money in CRA this year. It is over a five-year period. It is important for Canadians to understand the investment the Liberals are making into the CRA after the Conservatives cut 3,000 positions.

The member said this is a top issue for the folks she represents in Davenport, and then went on to say, over and over again, how much confidence she had in the CRA and its ability to hound and get after these tax cheats. However, we know about the case of KPMG, the scam that she talked about. It was running for more than a decade, by

the way, before the great CRA even found out about it. Once it did find out about it, that all of these wealthiest of Canadians were avoiding paying their fair share, the CRA then offered, in secret, a deal to those Canadians to not pay any penalties whatsoever.

Here is the lesson or the message that the Canada Revenue Agency is sending out to wealthy Canadians: if they do cheat, if they use these scams like KPMG set up, CRA will probably never find it, but if it does find it, it will take a decade, so they are good. Even if CRA does find it, all they will have to do is pay some, maybe, of the taxes that are owed but there will not be a penalty.

The Liberals are somehow suggesting that, in paying back what is owed to the Canadian people, the government had the audacity to ask these wealthy, well-heeled Canadians to, oh my gosh, pay the interest on the money that they owed rather than the penalties. What about all those middle-class Canadians Liberals constantly talk about yet do not defend?

Is my friend from Davenport happy with the deal that the CRA, in which she has so much confidence, offered in a sweetheart package to wealthy Canadians who cheated the system and who then had to pay no penalties whatsoever?

• (1540)

Ms. Julie Dzerowicz: Madam Speaker, there were a number of questions to our Minister of National Revenue in the House over the last couple weeks around this issue.

She was abundantly clear, and I am actually going to quote her response. She said:

Let me be clear: tax evaders can no longer hide. We take this issue very seriously, and those who choose to participate in tax schemes will face consequences for their actions. Canadians expect no less.

It was the CRA that discovered the tax avoidance scheme that was set up by KPMG. It is now a case that is before the courts. We have already made a very strong statement through our Minister of National Revenue to say that tax evaders can no longer hide. We are going to be very aggressive. We have put a significant amount of money into our budget to tackle this.

I know that our minister and this government will not stop until every single tax evader is caught.

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I would like to thank my colleague for her remarks.

She began by talking about the Panama Papers. When I asked for information on this matter, I was told that 397 individuals had been identified and that 80 of them had come under closer scrutiny. In addition, none of the cases has been referred to the criminal investigations program of the Canada Revenue Agency. Obviously, no criminal prosecution has been initiated on the Panama Papers files.

Business of Supply

Does my colleague think that the results obtained by her government have contributed to the fight against tax evasion when no criminal charges have been laid? Those involved in such schemes should be imprisoned. Denunciatory penalties would ensure that others understand there is a heavy price to pay and that they should not take part in such schemes. Is she satisfied with the record of her government, which has not instituted any criminal proceedings for tax evasion?

[English]

Ms. Julie Dzerowicz: Madam Speaker, I mentioned the Panama papers at the beginning of my speech because that was actually a trigger for the residents in my riding, to say that they are very upset to hear of any individuals or corporations not paying their fair share of taxes in Canada.

Since then, on the international scene, Canada has worked very hard and very comprehensively with partners, internationally, to take coordinated action to make sure we are implementing enhanced reporting standards. We are signing key tax treaties with jurisdictions, which will help us to provide information to crack down on tax cheats worldwide. We are committed to our international obligations to bring common reporting standards into effect and to fulfill deliverables around base erosion and profit-sharing.

● (1545)

[Translation]

Mr. Gabriel Ste-Marie (Joliette, BQ): Madam Speaker, I would first like to thank my colleague for sharing her time with me. It is greatly appreciated. It is an opportunity for us to be able to talk about tax fairness.

For more than 15 years, the Auditor General has repeatedly said that the use of tax havens is the biggest threat to the tax base. While the government is repeating that it is working very hard to counter this, nothing ever happens. At some point, it will have to stop talking and start acting.

All day members across the way have been saying that the federal government is fighting very hard against tax evasion and tax havens. They may repeat it over and over again, but they are alternative facts. The fact is that Canada is the official spokesperson for tax havens. This is no joke: Canada is indeed the official spokesperson for tax havens, a role it performs openly and without shame.

It does so before the International Monetary Fund, the organization responsible for international financial markets. Canada clearly speaks for tax havens there. Twice a year, when he talks about the IMF world economic outlook, the Minister of Finance does not speak solely for Canada. No, he speaks on behalf of Canada and Barbados. Barbados is Canada's tax haven and has been since Paul Martin was finance minister and registered his ships in Barbados. Then we have the Bahamas, a tax haven whose insurance laws were written by the Minister of Finance's own consulting firm. I cannot name it in the House, because it contains the name of the Minister of Finance.

At the IMF, Canada defends and is the official spokesperson for Barbados, the Bahamas, Antigua, Belize, Dominica, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, and others.

It seems to me that the Liberals are thumbing their noses at Canadians by continuing to say that the government is cracking down on tax havens. Canada is one of the biggest users of tax havens in the world. That is particularly true of Canada's five largest banks. Their use of tax havens to avoid paying taxes costs the federal and provincial governments approximately \$6 billion a year. We are talking about \$6 billion for just five banks.

In June 2016, the IMF found that the Royal Bank, Scotiabank, and CIBC, these three banks alone, represented 80% of the banking assets in Barbados, Grenada, and the Bahamas. These three Canadian banks hold almost all of the banking assets there.

The government needs to stop saying that Canada is a champion in the fight against tax havens. That is not true. The reality is that Canada is an advocate, protector, and spokesperson for tax havens. In other words, Canada is a cheerleader for tax havens.

The KPMG fraud scandal is just the latest example of Canada's inaction. The CRA discovered the Isle of Man fraud over five years ago, but the government has still not filed any criminal charges against KPMG.

When it comes to talking and saying nothing, the government is always there, but when it comes time for action, it is nowhere to be found.

I will demonstrate what it means to fight fraud in tax havens. This happened in the United States. In 2003, a senate committee brought to light certain fraud schemes involving tax havens that were sold by KPMG, triggering an investigation by the IRS, the U.S. Internal Revenue Service. When KPMG tried to invoke professional privilege to refuse to hand over the list of its fraudster clients, the IRS threatened to obtain a search warrant and charge the firm's executives with obstruction of justice. Contrary to what is happening here, KPMG submitted and put an end to its obstruction. The U.S. investigation demonstrated that 431 clients of KPMG had concealed \$11 billion in revenue from the tax authorities, resulting in lost tax revenues of \$2.5 billion between 1996 and 2003.

Giving the benefit of the doubt to the KPMG clients who said they thought the financing package was legal, since they had acted on the recommendation of their accountant, the IRS offered them a conditional amnesty. This was not at all the same amnesty as we have here. They were required to repay their debts within 90 days, including interest and a 50% penalty, or else go to prison.

All the clients agreed, and the IRS recovered \$3.7 billion on the \$2.5 billion owing, including the 50% penalty plus interest.

In the United States, an amnesty means that people have to repay one and a half times their debt. The Americans were not content with hunting down the fraudsters. They went after the source of the problem, the fraud barons, KPMG itself. Here we give them billions of dollars in contracts; there, they are prosecuted.

● (1550)

On June 13, 2005, two years after the fraud was discovered, the U.S. government laid criminal charges against KPMG. Nine of its executives faced charges of fraud and criminal conspiracy. The firm itself was accused of being a criminal organization, something that could have resulted in its dissolution.

Business of Supply

Two weeks later, on June 27, 2005, the Internal Revenue Service, the IRS, announced that it had come to an out-of-court settlement with KPMG. In return for dropping the criminal charges which could have led to the company's dissolution, KPMG agreed to dismantle three of its departments, to stop selling tax planning services, to pay the government \$466 million, nearly half a billion, in damages, and to give an IRS agent unlimited access to all of its files for three years.

The above notwithstanding, the criminal charges were maintained against the nine executives. Two were found innocent, six had to pay fines totalling \$25 million, and one was imprisoned. It was the defrauder-in-chief who ended up in prison.

Here in Canada, the government gives fraudsters contracts worth \$92 million. Good for them! The government thanks fraudsters and shower them with gifts. They are all buddy-buddy. The fact is that the government does everything it can to facilitate the use of tax havens. That is the problem we have here. When it comes to helping its banker buddies, the government is happy to play an active role.

The Income Tax Act prohibits the use of tax havens. Parliamentarians never voted for that. A close look at the tax treaties shows that the use of tax havens is not allowed. For example, article 30 of the treaty with Barbados explicitly excludes all businesses with special tax benefits in Barbados. According to the treaty, profits sent to Barbados have to be taxed in Canada. The treaty is clear, and its implementation act is rock-solid. The act states that provisions in this treaty take precedence over incompatible provisions in any other act or regulation. In other words, under the act to implement the Canada-Barbados treaty, the government is obligated to tax repatriated profits.

As for the agreements that Canada has concluded with the other 22 tax havens, they are nothing but information sharing agreements. They too do not give anyone the right not to pay income tax in Canada. The tax treaties and the Income Tax Act are not the problem; the problem is the regulations which contradict the treaties and were adopted without a vote.

The government has passed regulations that facilitate tax avoidance. When I said that Canada was the protector of tax havens, I was not exaggerating. Not only does it speak on their behalf at the IMF, it secretly amends the tax regulations that authorize their use.

On this subject, I would like to point out an inaccuracy in the motion being debated today. The motion asks us to renegotiate these tax treaties when it should instead seek to abolish the tax regulations that permit the use of tax havens. It is not the treaties or the laws that are bad. The problem is the regulations that the government has adopted on the quiet. It is the regulations and the government that are bad, not the treaties.

I would therefore like to collaborate with the NDP on this subject so as to continue the fight against tax havens. At the end of my speech I will be proposing an amendment to the motion that will address this inaccuracy. I will return to this point in a moment.

I repeat: tax havens are the greatest injustice of our time. Now when the tabling of the budget is drawing near, now when everyone has a gun to their head and public services are jammed up, it is

absolutely scandalous for the government to be giving billions of dollars in gifts to the wealthy. Tax havens must be eliminated.

I propose to amend the motion by modifying a few words in paragraph (b)(ii). It is a matter of replacing the words "renegotiating tax treaties that let" with the words "abolishing tax regulations that let".

• (1555)

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. If the sponsor is not present, the deputy leader, whip or deputy whip of the sponsor's party may give or refuse consent on the sponsor's behalf.

The hon. member for Beloeil—Chambly has the floor.

Mr. Matthew Dubé: Madam Speaker, as the deputy House leader for the NDP, I must inform you that, unfortunately, since we did not have the opportunity to see the wording of the amendment before it was proposed and because we are satisfied with the wording proposed by my colleague from Rosemont—La Petite-Patrie, we are saying no to this amendment.

Mr. Robert Aubin (Trois-Rivières, NDP): Madam Speaker, I thank my colleague from Joliette for his speech, which could not be more on point. He is clearly much more of an expert on the matter than I. I will indulge in a question that is not directly taken from his comments, but will allow me to take advantage of his expertise and knowledge.

Every time we address the issue of tax havens or tax avoidance, most governments hide behind the argument that the problem is international and there is nothing we can do alone. I get the impression that Canada could be a leader instead of playing it safe, which seems to be the Liberals' *modus operandi*.

Can Canada really do nothing without being surrounded by its international allies?

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

Indeed, that is often the loophole the government hides behind; pardon the pun. We are told that if we cannot get all countries to work together, nothing can be done. I would remind the House, however, that a few years ago, the government used the same argument to say that there was nothing it could do about climate change on its own, that we had to wait for all countries around the world to be able to begin taking action. That was false. We can take action to protect the environment in Quebec and in Canada right now. We do not have to wait for China, the United States, or any other country. We can act immediately.

The same is true for tax havens. There are concrete things we can do here, such as eliminating regulations and following the American example and prosecuting firms like KPMG that set up fraud schemes. There are many ways we can act right now. The first thing the government needs to do is take off its dunce cap.

Business of Supply

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, for a number of years, I served in the Manitoba legislature. At times, we would hear the issue of tax evasion at the provincial level. My question underlines the importance for the national government to work with its provincial partners to look at ways in which we can improve that sense of tax fairness.

Would the member like to add anything with respect to taxation and fairness at the provincial level and the important role Ottawa could play in that or vice versa?

• (1600)

[Translation]

Mr. Gabriel Ste-Marie: Madam Speaker, I would like to thank the Parliamentary Secretary to the Leader of the Government in the House of Commons for his question and comments.

There are many things that we would like to ask the federal government to do for Quebec and the provinces. In matters of tax evasion and tax havens, the exchange of information happens between countries. Therefore, it is the Canada Revenue Agency that has the authority to ask other countries for information in order to conduct investigations. Depending on the wording of tax treaties, the federal government can also delegate this authority to provincial or national entities, such as Revenu Québec. This would allow the Government of Quebec to conduct its own investigations and to negotiate directly with other countries.

There seems to be unanimity in the Quebec National Assembly on tax evasion. This would allow it to move forward. I would remind members that when a tax scheme is discovered in Quebec, there is an automatic 30% penalty. In the United States, a penalty of 50% was levied in the case of KPMG. The Quebec government has a 30% penalty, but the federal government has no penalty. This is practically an incentive for businesses and the wealthy to invent ways to try to avoid paying taxes.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I would like to thank my colleague for his intervention and his expertise on the matter.

In his riding of Joliette, does he get the impression that the public thinks there is a two-tier system? This term is often used to describe a system where there are rules for the average taxpayer and other rules for multimillionaires. The difference is that average taxpayers do not have the money for tax schemes or to defend themselves against the Canada Revenue Agency and its lawyers. In the other corner, multimillionaires not only have the money for such schemes, but they also have the money to defend themselves. They are told by the CRA that they are untouchable, that they have too many appropriate expenditures, so they will get to negotiate a settlement in order to avoid prosecution.

Mr. Gabriel Ste-Marie: Madam Speaker, I fully agree. People are preparing their tax returns as we speak. They see what they are paying. They understand there is a double standard when companies help millionaires avoid paying their taxes. It is an injustice. Instead of punishing them, instead of putting them in jail, they are given \$92 million in contracts. They are rewarded. The people of Joliette are not happy.

Mr. Robert Aubin (Trois-Rivières, NDP): Madam Speaker, if there is one topic on everyone's lips these days, it is the one we are addressing today. Since time is running out and in order to allow as many people as possible to reflect the views of the citizens who live in each of the ridings, views that all point in the same direction, I am announcing that I will be sharing my time with the member for Laurier—Sainte-Marie.

Let me say from the outset that I am far from being a tax expert. I am not an expert in the matter, but one thing I am sure of is that I listen to the citizens in my riding and share their frustration on the issue.

I would like to be able to say that politicians are leaders in tax fairness and that they promote measures that improve the lives of all Canadians. However, the truth is that, once again, we are tagging along behind the simmering anger of our citizens.

The difference between the NDP and successive governments in Ottawa is that we hear the grumbling and we are doing everything we can to propose tangible measures to stem this rising tide.

For example, in the last election campaign, we were roundly criticized by some people for our proposal to balance the budget. Maybe we did not sell our own platform well enough. What is clear is that there were proposals in the revenue column that no other party in the House dared to make, that directly influenced the government's capacity to seek out new revenue sources.

We need only think of the tax rate on large corporations that the Conservatives cut from 22% to 15%, as part of a job creation strategy, with very few results when it came to job creation. I will always remember that request, or rather that plea, by a former minister of finance, Mr. Flaherty, for whom I have great respect, even though we had different political allegiances. He pleaded with the big businesses to which we had given tax cuts to reinject the money into the economy. That did not happen, and we know the rest.

At present, with wealth disparities continuing to grow, it is high time that we did something, that we stop talking and start acting. Instead of hiding behind the excuse that the problem is international in scope and we cannot do anything on our own, it is time for Canada to act like a leader and initiate the movement. Canada could be in the lead, as I was saying, instead of just saying "Canada is back".

I am going to give a few statistics, just to provide a clear and precise picture in two or three figures, for everyone listening to us. We are talking about Canada, with Canadian numbers. The highest paid CEOs in Canada are paid 193 times the average Canadian wage. I am not talking about the median wage, even; I am talking about the average wage. Two billionaires own about one third of all personal wealth in Canada: \$33.1 billion. The richest CEOs earn in a half day what the average worker earns in a year. We can see how urgent it is for us to promote greater equity, to hear and understand the discontent expressed to us from everyone in Quebec and Canada when they tell us enough is enough.

Business of Supply

I am therefore pleased to rise today to speak on behalf of the taxpayers of Trois-Rivières who work hard to make ends meet and who are faced with this scourge of tax evasion and tax avoidance, which must be condemned, certainly, but which must also be combated with effective proposals.

To that end, the NDP is proposing very concrete measures. For the people who are following our debates, these are the main points of our motion. The NDP is calling on the Liberal government to identify the tax giveaways that benefit the wealthy and keep its promise, among other things, to cap the stock option deduction loophole.

• (1605)

For instance, what is the real issue with stock options, since most Quebecers or Canadians cannot really afford to buy them?

A CEO can buy shares in the company he himself leads and sell them when he sees fit. Obviously, the right time for him will be when he will be guaranteed the most money. The resulting profit will be a capital gain taxed at half the rate of regular working income. The federal government is therefore encouraging large corporations to keep up this practice, since the CEOs who are benefiting from it pay 50% less tax on the profit from selling their shares.

As a result of this tax loophole, every year, the federal government and the provinces are losing \$1 billion in revenue that could have been put toward a better employment insurance system, compensation for all the pyrrhotite victims in Trois-Rivières and Mauricie while we are at it, and upgrading our infrastructure, particularly in terms of Internet access since we know that many remote regions still do not have broadband service. In short, with \$1 billion, just imagine what a finance minister could dream of. However, it seems that the minister has a stronger allegiance to the wealthiest than to the middle class he keeps talking about.

To make our tax system fairer, the NDP proposes three concrete measures to address tax evasion: tightening rules for shell companies, renegotiating tax treaties that let companies repatriate profits to Canada tax-free, and ending penalty-free amnesty deals for individuals suspected and potentially charged or convicted of tax evasion, should there ever be a prosecution someday.

I would like to briefly comment on the relevance of our motion. Many people are finalizing their income tax returns and doing their duty as citizens. However, for those for whom the T4 is everything, or in other words, those who file the simplest income tax return with just one source of revenue, there are no loopholes available. That is the case for most Canadians, but late filers beware because there will inevitably be penalties. That means that average Canadians, and I am not talking about those with an average salary, but most Canadians who file their income tax return using only a single T4, will have to pay penalties at even the slightest sign of an error. I am not talking about fraud but about mistakes. That is because it is easy for the government or the CRA to catch these errors and do something about them.

It is true that it may be more difficult to determine whether large corporations are evading taxes, but the government needs to put more time, energy, and money into doing so. When the Conservatives took office, it was the opposite. They cut a lot of

positions at the Canada Revenue Agency, which made it practically impossible to conduct these kinds of major investigations.

Every time we see a pothole or wait forever for health care, we have to remember that the money meant to improve our roads and our public services is hidden on the Isle of Man or somewhere else.

Unfortunately, because I have only a minute left, I will jump ahead to the conclusion.

Despite not having had the time to say everything I wanted to say, I hope that the main takeaway is how emotionally-charged the issue is for me because of what I hear, day after day, when I travel in my riding and people say to me, “Enough is enough, thank you to the NDP for standing up in the House and fighting to put an end to tax evasion and tax avoidance.”

• (1610)

Mr. René Arseneault (Madawaska—Restigouche, Lib.): Madam Speaker, as my colleague from Trois-Rivières did, I would first like to inform the House that I am not an expert in tax policy and tax loopholes.

My colleague has made three proposals, and I have a question about the one concerning amnesty. I think he was referring to people who may voluntarily report their true earnings. I think that is what he was alluding to. I have one burning question. Again, I am not an expert.

Does my colleague know whether studies have been done to see whether the proposal that a taxpayer voluntarily disclose “hidden” income has had a positive impact? Was it worth it to do that rather than come at those people with an army of lawyers and spend whatever it might cost on legal proceedings? Would my colleague know of a study that could tell us whether the option of making voluntary disclosures and obtaining amnesty was worth it for the Canadian government?

Mr. Robert Aubin: Madam Speaker, I thank my colleague for his question.

I welcome him into the club of non-experts and, I hope, into the club of members who are outraged at this practice.

One very specific example, taken from the report we saw on the Radio-Canada program *Enquête*, said, concerning KPMG, among others, that we have there a classic case that could set an example, if the government had gone ahead with a conviction or at least legal action. The fact that it was not taken to court, however, means that we are not developing any case law and we do not have the cases that could serve as examples and then be quoted in future cases.

Sometimes there are situations where even if the cost were to exceed what we would recover in taxes, it would be beneficial, because in the other cases that followed and were subject to those decisions, substantial amounts would be collected.

Business of Supply

• (1615)

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Madam Speaker, I was a member of the Standing Committee on Finance, where we discussed this issue at length. We even produced a report with about 14 recommendations, if I remember correctly. We studied this issue thoroughly.

Did the member have a chance to look at our recommendations and what can be changed? What did he think of our recommendations?

Mr. Robert Aubin: Madam Speaker, unfortunately, I am not a member of the Standing Committee on Finance. I am kept busy with the transport committee and occasionally replacing my colleague from Laurier—Sainte-Marie on the international affairs committee.

I have complete confidence in the NDP members of the committee and their recommendations. I analyze the situation with them, and the party's proposals on this opposition day are very clear. I am pleased that some of them are in line with some of the Standing Committee on Finance recommendations, but my experience so far suggests that opposition amendments are rarely given a warm welcome.

The Assistant Deputy Speaker (Mrs. Carol Hughes): The hon. member for Sherbrooke for a brief question.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I will be very brief.

I am surprised to hear the members opposite say that giving amnesty might be appropriate, when we are talking about files involving obvious and blatant tax fraud.

There is no doubt about it in the case of KPMG; it is clear. However, if we look at the figures, we see that since 2006, not one charge has been filed under section 163.2 of the Income Tax Act. That section allows for prosecution for misleading tax plans, in other words, prosecuting those who engage in tax planning.

Does my colleague think that accounting firms like KPMG should also be prosecuted, along with the individuals who use their schemes?

Mr. Robert Aubin: Madam Speaker, I thank my colleague from Sherbrooke who is the master of brief questions this afternoon. Obviously, I agree with him when it comes to accounting firms.

With regard to amnesty in general, I think granting amnesty is inconceivable, especially when people are asked simply to pay the arrears, without any penalties, when ordinary taxpayers automatically have to pay penalties.

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Madam Speaker, I am very pleased to rise in the House today to speak to this motion. In my opinion, tax avoidance and tax evasion rank right up there with world peace and the need to save the planet. This is an extremely important issue.

In the riding of Laurier—Sainte-Marie, there are community organizations that are struggling to make ends meet and cannot hire the staff they need. I meet with young people who would like the government to invest in their future and in the green economy. Some immigrants need more services, and that includes French tests that cost the same as English tests.

Some organizations that help homeless women have to turn people away because they do not have enough room. There are families with children who have to choose between paying rent and paying for groceries because the government is not investing enough in affordable housing and social housing.

All across the country, people are waiting for reasonably priced day care spaces, workers want the government to invest in job retraining, children are living in poverty, and indigenous people want the government to keep its promises.

Far too often, there are not enough resources to accomplish all these basic things. However, the resources are there. In the meantime, we are losing hundreds of billions of dollars to tax evasion and aggressive tax avoidance.

There is no reason this lost money should not be recovered. Some tangible measures can be taken immediately. One clear and straightforward example would be to get rid of the stock options tax loophole for CEOs. When CEOs are paid with stock options, their salary is considered a capital gain and is taxed at half the regular rate. Through this option, roughly 8,000 Canadians have deducted on average \$400,000 from their taxable income.

Someone who earns \$40,000 does not have that option. They have to pay the regular tax rate that applies to that salary. However, CEOs are entitled to reduce a big part of their income by 50%. It is interesting because during the election campaign, the Liberals promised to cap it at \$100,000. I think that is rather generous. However, once elected, they broke their promise. What a surprise.

There are other very simple things that can be done. We could amend the tax rules for businesses that are fond of using shell companies, which have no economic purpose. They only serve to protect the wealth of the ultra-rich. Therefore, we could ask businesses to provide proof of the economic reasons justifying the existence of foreign subsidiaries.

We could also review tax agreements that allow businesses to report their profits in tax havens and to return them to Canada tax free. In my opinion, this is vitally important. There are 92 such treaties with countries such as Barbados, Jamaica, and the Republic of Malta, among others, which allow people to commit tax evasion simply by sending billions of dollars to tax havens without paying taxes.

For example, between 1988 and 2001, direct Canadian investment in Barbados rose from \$628 million to \$23.3 billion, a 3,600% increase.

It is also crucial that we put an end to penalty-free tax amnesty deals for individuals suspected of tax evasion.

• (1620)

Case in point, recently a deal was made with KPMG clients shielding them from civil or criminal prosecution as well as fines and penalties.

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If I file my taxes late, I have to pay a fine. Same goes for the guy next door and all other ordinary Canadians, but people who get caught evading taxes do not have to pay a fine. Worse still, a young teenager who shoplifts has to pay the price, but the super-rich do not have to pay anything back.

We also need a higher threshold for foreign subsidiaries' interest payments. That is another tax avoidance strategy. I do not have much time, so I will not go into detail, but meaningful action can be taken now.

The truth is, we do not really know how much money is involved because tax evasion and tax avoidance, by definition, hide money. Still, if we had that money, we could fund our social programs.

In the longer term, we need to work at the international level. I would like to see Canada take a leadership role because everyone has to pull together on this if we want things to change. The impact in places like Africa can be significant. We give a lot of international aid to African countries. Those countries lose much more to tax avoidance and evasion than they receive in international aid. There is a long-term benefit here because if we help them, if we all work together to do away with the schemes that individuals and big corporations are typically involved in, that can help African countries. We would not have to invest as much. There are a lot of knock-on effects to consider here.

Dealing with this issue would therefore allow us to recover those resources, and that is very important. However, I would like to point out in closing that this is not simply a matter of resources. It is also a matter of social justice. Taxes are the price that must be paid for living in a civilized world, a democracy with community spirit. Everyone must do their part to the best of their ability. It is therefore a matter of social justice. It is also about democracy because, sooner or later, this practice will jeopardize it. Societies are becoming increasingly unstable because they are no longer able to fund their basic social programs. However, it is almost as though there is a network of people who lives between one tax haven and another without any civic engagement toward the governments of the countries where they do business or toward society in general.

I want to close with a plug for the film *The Price We Pay*. I highly recommend it to those who have not seen it.

I am very proud to support this motion. I hope that all of my colleagues in the House will do the same.

• (1625)

[English]

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Madam Speaker, I had the opportunity to participate with finance committee in looking at tax evasion in one of our reports. Our committee put out 14 recommendations. We asked the minister how her department could be more effective and what the experts themselves in her department actually do to improve this situation. It was just a simple request but sometimes we have to ask those things.

We also requested that all tax products with any tax advisers be registered with the Canada Revenue Agency to make sure that they are legal.

We also asked that CRA report back to finance committee around June 1, 2017, and tell us what is going on with the Panama papers and what is occurring with tax evasion.

There was one thing that I did learn about in our study and that is that Canada is not alone in this. We are not in isolation. We have to work with our allies around the world.

I am wondering how we can take this complicated issue that impacts many jurisdictions around the world, the United States, Europe, Africa, and Asia, and do something, not by ourselves to reduce our competitive advantage, but how can we work with them.

[Translation]

Ms. Hélène Laverdière: Madam Speaker, I thank my colleague for his question.

Yes, it is important to work at the international level. Some aspects of this issue cannot be managed or resolved unless we all work together with our partners around the world. However, there are also measures that need to be taken here in Canada. I will go back to the example of how Canada does not impose any penalties or sanctions on people who engage in tax evasion and aggressive tax avoidance.

KPMG is being prosecuted elsewhere. There are people who impose sanctions. In Canada, companies do this sort of thing and we tell them that, if they admit to abusing the system, that will be the end of it. These are measures that Canada itself can take. I think that a distinction needs to be made. We cannot just sit back and say that what happens is up to others. This government has a role to play and I hope that it will play it.

• (1630)

[English]

Ms. Cheryl Hardcastle (Windsor—Tecumseh, NDP): Madam Speaker, I would like to thank my hon. colleague for her very intriguing and inspiring speech. We know that Harper's cuts to the corporate income tax rate did not boost investment in Canada. They did not lead to promised job creation, and they cost the government \$12 billion annually. Now, in hearing my colleague say that Canada could be a leader I think of the countless Canadians who are hopefully nodding their heads and agreeing with that; Canadians in precarious work, persons living with disabilities, persons who are struggling with a diagnosis and trying to research Lyme disease. There are countless ways that we could be using this \$12 billion. I would love to hear more about the member's ideas on where Canada can be a leader on the international scene.

[Translation]

Ms. Hélène Laverdière: Madam Speaker, indeed, my colleague is quite right about the amount of money Canada is missing out on thanks to corporate tax cuts made under the Harper government.

Business of Supply

In fact, we have practically become a tax haven ourselves, right here. We have seen American companies move their head office to Canada in order to pay Canadian taxes, rather than American taxes, without having any real impact on job creation here or any real benefits for Canadians and Canadian workers.

I see my Conservative friends applauding. They are applauding a facade, a superficial measure that did not really change anything for Canadians. In fact, it is problematic. I know my colleague cares deeply about human rights. We also have similar problems regarding rules for Canadian companies operating abroad and their environmental and human rights records. We are almost becoming what Panama is for boats, that is, some sort of port of convenience.

I think that needs to stop, and although we need to work internationally, the first measures—

[*English*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): 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 Laurier—Sainte-Marie, Foreign Affairs; the hon. member for Calgary Rocky Ridge, Finance; and the hon. member for Vancouver East, Immigration, Refugees and Citizenship.

[*Translation*]

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Madam Speaker, I thank my colleague from Laurier—Sainte-Marie. I would like her to know that the Conservative Party is all for creating wealth and the possibility of providing social programs. It is a balance that we must work toward achieving. I think that is important. I appreciate the hon. member mentioning that we in the Conservative Party are committed to success and economic prosperity.

Before I go on, I would like to say that I will be sharing my time with my colleague who represents a riding in the beautiful greater Quebec City region, the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup. We make a very good team in the Quebec City region. It is a very prosperous region because it has the lowest unemployment rate. It is mostly represented by the Conservative Party, the official opposition. I am not sure if that is a sign, but people have access to social programs. We take good care of the entire population.

According to the hon. member for Rosemont—La Petite-Patrie, the government has to come clean and disclose all the details in this affair and others like it.

I would like to welcome my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, the riding I just spoke highly of. He does excellent work. He is currently going around to talk to businesses. Once again, we in the Conservative party look after the economy. My colleague does so in his riding.

The member for Rosemont—La Petite-Patrie added that our economy should benefit everyone, not just the minority at the top.

The affair he is referring to is the KPMG scheme and the role of the Canada Revenue Agency. We find ourselves today with this NDP motion to address tax avoidance.

Yes, the public's confidence in our institutions has been undermined. Yes, we must tackle tax evasion. All 338 MPs from all parties probably agree with this statement. However, how do we do that?

We cannot support this motion. Why? Simply because Canadians pay too much in taxes. Whether they are individuals or businesses, Canadian taxpayers are being gouged. We know that high tax rates hurt Canadians who are trying to build a good life for themselves and their families.

I was singing the praises of the riding represented by my colleague from Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, but my riding, which has a shorter name, has its own vibrant economy. I am very proud to rise in the House to represent the 105,000 residents of my riding.

Thousands of people in my riding get up every morning and go to work. They work very hard, just like people all across this country. They need a little hope and a little help.

Tax rates also hurt businesses whether they are small, medium-sized or large, because they have to compete locally, nationally, and globally. Conservatives understand this and are committed to making sure that Canadians keep more of their hard-earned money for themselves.

The motion presented by the hon. member, the NDP finance critic, ignores the heavy burden placed on Canadians. That burden has been getting heavier since the Liberal government came to power.

The NDP cannot say it wants a Canadian economy that is good for all Canadians if it thinks the only battle worth fighting is the one against tax evasion. Vision is vital here. Fighting tax evasion on the one hand while bleeding taxpayers and businesses dry on the other is not good enough because it is not really tackling the problem.

We need to be more pragmatic. We need a balanced policy. We need to ensure that companies will want to set up shop here and that Canadians will see their dreams of starting their own business as achievable, that it is possible to start a business that will be viable and prosperous for the long term.

People have the right to make money here in Canada. That goes without saying. When people make money, it creates wealth and the government benefits from that. I hope this government will manage public funds better than it has done. Only then will we be able to provide social programs to everyone who needs them.

• (1635)

On the one hand, the government says that it cares about the well-being of the middle class. On the other hand, it did not keep its promise to lower taxes for the middle class. Day after day, this government breaks its election promises and misleads Canadians.

The Liberals promised to lower the corporate tax rate to 9.5%, but that has not happened. They promised a “modest” deficit of \$10 billion. In my view, \$10 billion is huge, but for the Liberals, that is modest. Plus, they said that we would return to a balanced budget by the next election, which will be in 2019. What are the forecasts? If nothing changes, that will not happen until 2055. In 2019, during the next election, Canadians should make the right choice. Everyone knows that we have hit a wall when it comes to public finances.

Business of Supply

As for the NDP, it does not understand and does not see, or worse does not want to see, that tax evasion is just one part of the equation. The NDP supported not a single one of the tax cuts for small and medium-sized enterprises proposed by the previous government, that of Stephen Harper. The Harper government saw to creating a healthy fiscal environment for businesses thanks to its tax cuts which brought the general corporate income tax rate down from 22% to 15%. It lowered taxes for small businesses and created measures to attract businesses and make them more prosperous, which is the least we could expect, in my opinion.

When we acknowledge that small and medium-sized enterprises play a key role in our economy, it becomes clear that the government has to see to stimulating the creation of SMEs and to allowing them not only to survive, but to grow, create jobs, and contribute to the economic growth and prosperity of our great country.

Between 2006 and 2015, Stephen Harper's government lowered taxes 180 times. That is a fact. We brought taxes down to their lowest point in 50 years. That is what Canadians need.

Where are we today? Nearly two years later, the Liberal government is asking Canadians to tighten their belts even more. In budget 2016, the Liberal government rushed to eliminate the tax credits created by the Harper government to help Canadian families. That is not all. Who is going to pay off this massive debt? It is Canadian taxpayers, our children, our grandchildren, and even our great-grandchildren.

Where is the Liberal government's much-talked-about plan, the one it promised during the election campaign? Has Justin Trudeau's economic plan gone up in smoke? It is something that has to be asked. However, in my opinion and that of the Conservative Party, which I am very proud to be a member of, the answer is very clear. The government not only needs to put a stop to tax avoidance by ensuring that all companies and Canadians pay their fair share of taxes, but it also needs to stop gouging Canadians.

Between 2006 and 2015, Stephen Harper's government took decisive action to close over 85 tax loopholes, which saved billions of dollars.

I would like to review the parties' positions on eliminating tax havens in the 2015 campaign. The Liberal Party said absolutely nothing. We have become accustomed to the Liberals saying words that mean nothing. It has no plan. As for the NDP, it believes that this could be worthwhile. However, it did not come up with a budget or a plan. As for the Conservative Party, it said that it would not tolerate white collar crime. It put that in writing. I would remind members that the economic action plan allocated \$5 million a year over five years to the Canada Revenue Agency to step up its research.

I am very proud to have risen in the House today. I invite my colleagues to ask questions. I will be pleased to answer them. It is important to create wealth in order to be able to provide social programs. We must see the big picture.

● (1640)

The Assistant Deputy Speaker (Mrs. Carol Hughes): I remind the member that he should not refer to members of the House by name. When he referred to the Prime Minister, he spoke his name.

The member must ensure that he does not do this again in his speeches.

The hon. member for Sherbrooke.

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, my colleague's opposition to the motion comes as no surprise because when I look at the Conservatives' record on fighting tax evasion, the numbers speak volumes.

I am very eager to see if the numbers keep declining like that. In 2006-07, the Canada Revenue Agency referred 214 cases to its criminal investigations program. The Public Prosecution Service of Canada was then able to secure convictions against 213 taxpayers.

In 2015-16, 17 cases were referred to the criminal investigations program and taxpayers were convicted. The number of cases went down from 214 to 17, and the number of convictions from 213 to 50. That was on the Conservatives' watch. The main reason has to be the Conservatives' massive cuts to the Canada Revenue Agency. Those cuts prevented the CRA from following up on many cases and getting convictions.

The numbers took a nosedive under the Conservatives. There were fewer convictions every year, less money was recovered, and fewer fines were imposed. The numbers speak volumes.

What does the member think of the Conservatives' record on this?

Mr. Joël Godin: Madam Speaker, I thank my colleague for his excellent question.

I would love to know the NDP's record, but unfortunately it has never been in power. Of course, when we create wealth and increase revenues, there are more players. Now we have to look at the problem as a whole. We must not be selective and insist on attacking people who create wealth.

I have a question for my NDP colleague.

Does he want to get rid of those who generate prosperity in Canada? If so, that is fine. Let him move a motion to that effect.

● (1645)

Mr. Pierre-Luc Dusseault: Madam Speaker, this allows me to answer my colleague.

No, I do not want to get rid of job creators. I just want everyone in Canada to pay their fair share. For everyone to pay their fair share, for the average taxpayer to pay their taxes every year, and the rich to also pay their fair share every year seems to be a foreign concept to the Conservatives. We might say that it is a concept that escapes them. It might be an ideological problem on the Conservatives' part.

In any event, during their reign, we also saw that they actively participated in the race to the bottom. Global tax competition is a race to the bottom. Everyone takes turns and one day, there will be no more taxes anywhere in the world. Is that the Conservatives' ideology?

Can my colleague be honest and say that his ultimate goal is to eliminate all taxes and therefore all public services in Canada?

Mr. Joël Godin: Madam Speaker, I find my colleague's comments pretty weak.

Business of Supply

Since I do not hide from questions, I will answer his. Members should know that \$13 billion were recovered last year. The minister said so during question period. The work that went into recovering that sum was not done last year. It was done while the Conservative Party was in power.

We have one focus. In our 2015 election platform we stated what we would do about tax avoidance. Of the three main parties in the House of Commons, we were the only one to put our plan down on paper, to describe it, and to assign a dollar value to it. It is easy for the NDP to say that everyone deserves social programs and everyone should have their piece of the pie, but we have to be responsible.

I invite my colleague to table a plan; then, we could compare them.

[*English*]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I have to ask my colleague a question. He suggests that collecting the taxes owed to the government by wealthy Canadians would not be responsible. He suggests that our efforts today are to close loopholes in the scams of which we know. The ones we know of total in the hundreds of millions and billions of dollars in forgone revenue every year, which could pay for the things Canadians want, like affordable child care, perhaps pharmacare. Somehow it is wrong to close the loopholes, catch the tax cheats, and make them pay their fare share. That does not sound like Conservative ideology to me. It sounds like something else. I do not know if I am allowed to use the words in Parliament for what that ideology is.

[*Translation*]

Mr. Joël Godin: Madam Speaker, I will try to be brief.

Perhaps my colleague did not listen to my speech. I started by saying that we are against white collar criminals. The 338 ridings are all represented by honourable members. I presume this is true because I do not wish to speak for the 338 members. However, I am convinced that the vast majority, if not all of these members do not support tax avoidance. We have to find the means to combat it. Let us put measures in place and look at the big picture. The NDP is focusing on a small detail, but we should look at the big picture. Unfortunately, the NDP does not have a record because it has never been in power.

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Madam Speaker, I thank my colleague, the member for Portneuf—Jacques-Cartier, for his speech on the NDP motion on tax evasion that is before us today.

Like all Canadians, we are concerned about the individuals and companies that try to dodge their obligations to our country and pay as little as possible in taxes. Everyone is affected by this. Like my colleague just told the House, clearly, all 338 members condemn this practice and are outraged that some individuals take steps to avoid paying taxes or to pay as little as possible.

That is why, from 2006 to 2015, the Conservative Harper government took concrete action to deal with the problem. I am talking about initiatives such as the requirement for financial institutions to report funds transfers of \$10,000 or more to the Canada Revenue Agency, and the extension of the reassessment period so that the CRA has more time to reassess when certain

provisions were not respected, for example, the mandatory reporting of foreign assets. We also implemented the stop international tax evasion program, which encourages Canadians to report fraudsters and even offers incentives when the information provided leads to the recovery of unpaid tax dollars in Canada.

Those are all measures that we brought in, not to mention the legislation to close 85 tax loopholes between 2006 and 2015. This allowed the previous government to recover billions of dollars, and therefore, it also allowed the minister to stand up in the House today to proudly say that she recovered \$13 billion last year. The Liberals were elected a year ago, so it is not thanks to any policies they have put in place that the minister can say such a thing; it is thanks to policies that we put in place to combat tax evasion. It also allowed the previous government to recover billions of dollars and to balance the budget without increasing the tax burden on ordinary Canadians. We cannot say the same thing about the current government, which is taxing us more and more.

The Canada Revenue Agency, which receives notices regarding transfers of large sums of money from other countries, can verify whether a taxpayer has properly declared all income earned abroad, and if he has not, the agency can knock on his door and ask him to explain where the money came from.

By encouraging people to report fraudsters, the CRA can now target its investigations thanks to information that would otherwise not have been found. People boast about earning money under the table or hiding money in tax havens all the time. Such individuals say their illegal acts are okay because they already pay enough tax. Well, as they say, loose lips sink ships, and it is now easier for ordinary citizens to report fraudsters thanks to the former Conservative government.

I encourage Canadians who have relevant information to call the investigators using the tip line we set up a few years ago at 1-855-345-9042. Ordinary Canadians who witness things they want to report because they feel they are being robbed when others do not pay their taxes can call that number.

Tax evasion costs us all dearly, and we can all do our part to discourage and report it. That said, we have to understand that it is human nature to want to hold on to what we have and try to pay as little tax as possible. Like all Canadians, we always look for the best price on the things we buy. Our initiatives over the past 10 years have borne fruit, but they are just part of the solution.

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We need to combat not only tax evasion, but also its root cause. Why do people want to pay less taxes? It is because they pay too much or feel as though they are paying too much. The goal should be to make it useless and redundant to seek out ways to avoid paying taxes. Just look at the new carbon tax, which has just been introduced by the Liberal government. This tax will be applied to all products, because it basically applies to energy and shipping. It will therefore inevitably have an impact on the products and services ordinary Canadians buy every day.

• (1650)

I am talking about the issue of economic competitiveness, which was one of the previous Conservative government's focal points and the key to Canada's success before the Liberals came along.

Under our leadership, the corporate tax rate dropped to 15%, one of the lowest in the G7, making Canada one of the best countries in the world in which to do business in the G20, according to *Forbes* magazine.

Under those conditions, companies were discouraged from going elsewhere to pay less taxes. At the same time, this also encouraged foreign companies to come and set up shop here.

One of the last, but certainly not the least, examples is Burger King Corporation, which announced in 2014 that it was merging with Tim Hortons and moving its head office to Canada. It would therefore pay taxes here. Why did it decide to put the head office of this new merged firm here in Canada? Because we have competitive tax rates.

This money serves to provide benefits and social programs to all Canadians, as my colleague put it so well earlier. This means more revenue for the state in order to meet the needs of the people, as well as more job opportunities for all Canadians.

I find it a bit ironic to see the NDP, through the hon. member for Rosemont—La Petite-Patrie, move a motion to denounce tax evasion when its policies would do the opposite. The NDP has always said that it would increase taxes in order to be able to provide more services to all Canadians. That would inevitably make businesses flee.

While our government constantly tried to make businesses more competitive, the NDP kept voting against these tax cuts over the past 10 years. In its electoral platform, the NDP even wanted to increase the corporate tax rate from 15% to 17%, and more one day.

Does the hon. member not believe that businesses would want to leave if the NDP formed the government? I have little doubt about it, myself.

The Conservative Party absolutely agrees that we must ensure that Canadians pay their fair share of taxes and that the law is upheld. Everyone agrees with that.

What does the hon. member for Rosemont—La Petite-Patrie hope to accomplish with a motion that is purely symbolic? A motion is a good thing. It allows us to have a discussion and share our points of view with the House. However, the reality is that a motion does not change much in the House of Commons. If there are tax loopholes that need to be closed, will the hon. member introduce a private

member's bill that identifies precisely which section of the Income Tax Act needs to be amended, repealed, or added? Is he going to propose amendments to the Criminal Code in order to eliminate the practice of penalty-free amnesty?

These are all things that the member could do by introducing a bill in the House. I understand that the member has good intentions, but he is not a journalist at TVA whose job is to criticize without providing solutions.

With all due respect, that is the basic difference between two parties that have the opportunity to form a government and lead a country, and a third party that is relegated to being the opposition that criticizes instead of providing real solutions by introducing new legislation.

If a bill with concrete measures were introduced, as good legislators we would definitely take the time to carefully read it and to evaluate its merits.

I find it difficult to support a symbolic and nebulous motion, which makes reference to loopholes and tax deductions and exemptions without identifying them, and which seems to confuse tax avoidance and tax evasion, which are two completely different things.

• (1655)

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Madam Speaker, I thank my colleague for his speech.

However, I found the attack against us rather odd. He said that we move motions, but I have lost track of how many motions the Conservatives have moved to date. What does that mean? Are the Conservatives planning to let us take their turn when the time comes to introduce motions because they no longer want to do so and they think it is unnecessary and that motions serve no purpose in the House? I look forward to them letting us take over their opposition day. That would be great because there are certainly very specific things we would like to ask the government to do.

I am even more surprised that he is accusing us of wanting to take money from fraudsters to pay for more social and government programs. He is accusing us of wanting to do that. I am rather surprised to be attacked in that way because we do indeed want everyone to pay their fair share. We want fraudsters to pay their share and to stop evading taxes because that would allow Canada to continue to offer quality services.

What is his ideology? Does he want us to continue the race to the bottom? Does he want all of the countries in tax competition to participate in a race to the bottom by offering tax breaks left and right and lowering taxes until there are no more taxes and no more public services? Is that his ideology?

Mr. Bernard Généreux: Madam Speaker, of course no government would set out to completely eliminate the taxes people pay for the services they receive. I think we need to strike a balance. Balance is the key word here. What I said in my speech is that tax avoidance is a problem in Canada.

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All of the members here want to find ways to prevent that as much as possible. The member talked about my record and said I was attacking him, but he attacked us just before that. Turnabout is fair play.

All those years, the NDP voted against Conservative measures. All we did was ensure that the minister could stand up in the House today and proudly announce that her department recovered \$13 billion, but she is not the one who made that possible; it was the Conservative government.

• (1700)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I thank my colleague for his speech.

The entire time the Conservatives were in power, they were tough on crime. No matter what the opposition asked, the answer was always the same. However, that was not the case when it came to very wealthy people and corporations that manipulate our system in order to avoid paying taxes.

I find that bizarre. I think it should in fact be very simple: if there are millions and millions of dollars to recover, why did the Conservative government cut 3,000 jobs in the office responsible for going after money hidden in the Caribbean, in places like Barbados? The Conservatives became the opposite of tough on crime. They eliminated the positions of all the bureaucrats who could have made sure that everyone paid their taxes.

This is about justice. According to my definition of justice for all, the least we could do is ensure everyone pays their taxes.

Mr. Bernard Généreux: Madam Speaker, I thank my colleague for his question and especially for giving me the opportunity to respond because this is really important.

The Conservative government made some very difficult decisions in the past. We had no choice to make them because we had to balance the budget after the worst economic crisis we had ever known. That is the reality. We made choices and we stood by them.

The reality is that all the policies we implemented made it possible to balance the budget, despite the fact that we cut jobs in all departments. Today, let me repeat that the minister boasts about having been able to recover \$13 billion last year. That is certainly not because of the Liberals' policies. They just came to power a year and a half ago. They did not put those practices in place in six months.
[English]

Mr. Murray Rankin (Victoria, NDP): Madam Speaker, I will be splitting my time with the member for Skeena—Bulkley Valley.

Last night a constituent wrote to me. She is a senior living in Victoria and had been reading about the CBC's investigation into the KPMG affair. She had heard of the NDP's call for a full investigation and felt the government was stonewalling. She said, "It seems that there's one law for the rich and another law for the poor in Canada."

This motion is about answering her letter. It is about proving to her and to all Canadians that the Liberal government is committed to a fair and equitable tax system without golden loopholes for the super rich. The motion calls on the government to take two simple steps: first, keep its promise and limit the \$1 billion a year stock options loophole; and second, tackle the multi-billion dollar problem

of tax havens by tightening the rules for shell companies, closing loopholes for international tax treaties, and ending sweetheart amnesty deals for millionaire tax cheats.

Before I get into the details of the motion and the solution it proposes, let us talk about why it matters. This debate touches on two fundamental issues. First, it is about fairness. Specifically, it is about upholding a fair bargain between Canadians, between those who work hard and play by the rules and those who seek a free ride at their neighbour's expense. It is also about something even more fundamental. It is about maintaining and strengthening that basic social bargain that allows us to come together and work collectively for the public good. If we want to build a better, more just, and more prosperous Canada, if we are not content with the status quo, then we must uphold that bargain.

The motion is not just about our arcane tax law or fixing past mistakes; it is about the future. It is about how we can eliminate the deficit and kick-start a sluggish economy by offering working parents affordable child care. It is about how we can support seniors with a pharmacare plan and not outsource their care to Chinese corporations. That is what is at stake when the government lets big corporations and multi-millionaires walk right out the door without paying their bill, leaving ordinary Canadians to pick up the tab.

With this motion, the NDP is proposing solutions. First, the government can make good on its billion dollar broken promise to fix the stock options deduction loophole. It was originally meant to help start-ups take off, but the deduction has now become a free ride for the super rich. Ninety per cent of the benefits of this loophole go to those who make incomes more than a quarter of a million dollars a year. This costs all Canadians about \$1 billion a year, and 75¢ of each dollar goes to 8,000 super-rich individuals who use it to trim their tax bill by an average of \$400,000 a year. Clearly, there are better uses for this money.

In the last election, the NDP proposed limiting this deduction, protecting its legitimate use for start-ups. We suggested that every dollar saved, all \$500 million, be put toward combatting child poverty. The Liberals made a similar promise, but they broke it in budget 2016.

Failing to close this loophole cost almost \$700 million in lost revenue last year alone. If the promise had been kept, the money could have been used, for instance, to make up the shortfall in child welfare services for aboriginal kids, without the NDP having to force the government's hand with an opposition motion like this one. It is long past time to limit this loophole and narrow it back to its original intention, which was to help start-ups attract their first employees. Canadians will be watching on March 22 to see if because of this motion in Parliament the government finally keeps its promise.

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The second part of the motion is about tackling tax havens. Again, while Canadians are furious about the government's appallingly lacklustre response to the KPMG affair, the Panama papers, and other such revelations, it is important that they understand this is not just about multinational corporations and unscrupulous millionaires. It also affects small local businesses in our communities.

• (1705)

In Victoria, I spoke to the owner of a small coffee shop. He told me that his effective tax rate is much bigger than the big Starbucks on the corner. Why? Starbucks is able to access international tax havens and therefore pay an incredibly low rate of tax. As another constituent told me last night, there is one set of rules for the ultra-rich and another set of rules for the rest of us.

Refusing to take action against big corporations that break the rules hurts small businesses, which are the real engine of economic growth and job creation in our country. One solution proposed here is to tighten the rules for shell companies.

In 2014, I introduced a piece of legislation in the House that would enable the government and our courts to more effectively identify, pursue, and convict tax cheats. To do this, my bill would impose what is called an “economic substance test” on transactions. In other words, a corporation must prove that there is a legitimate business case for transactions beyond simply avoiding paying its fair share of taxes in Canada. There has to be an economic substance. Creating an economic substance test would recover significant uncollected revenue that could support better public services in Canada. When I bring that bill back into this Parliament, I hope the government will support it.

The bottom line is simple. There is no shortage of solutions if the government is finally ready to get to work. For instance, nearly four years ago, we worked with the finance committee to study tax evasion and the use of tax havens. In a supplementary report, the NDP members of the finance committee proposed solutions that should have been implemented then and must be implemented now.

At that time, the government testified that no effort was being made to measure the amount of the so-called “tax gap”. We proposed that it do so, and we called on the government to join the United States, the United Kingdom, Australia, and other countries in measuring the existence of this tax gap. We also asked the Canada Revenue Agency to require corporations to disclose all taxes paid in other jurisdictions so that Canadians could monitor their operations in offshore tax shelters, and we asked the Auditor General to monitor the success of the Canada Revenue Agency in prosecuting and settling cases of tax evasion.

This is information that all Canadians deserve to know. For instance, can the government tell Canadians just how many people have been jailed for tax evasion? How many have been jailed for aggressive international tax dodges? How many prosecutions have been launched? To keep faith in the integrity of our tax system, the public must see that individuals who break the rules are caught and appropriately punished for seeking a free ride at the expense of hard-working, taxpaying Canadians.

We see carpenters and hairdressers named on the Canada Revenue Agency website, but I ask how many international tax cheats we will

find there. The answer is zero. When tax cheats go unpunished, it puts a heavier burden on the backs of ordinary Canadians. We will not stand for that, and neither should the government.

In conclusion, I ask all members and Canadians listening at home to remember just how important this is to all of us. A recent Conference Board report estimated that the tax gap of lost revenue could be as high as \$47 billion a year. Every dollar of that could be put to use, such as having an affordable child care program, helping seniors get the prescriptions they need through a national pharmacare program, creating new jobs in clean energy, building new infrastructure to ease congestion and support commerce, eliminating the deficit and easing the burden on future generations. However, none of this can be done if the government refuses to take real action, and if we continue to allow Canadians' faith in the fairness of our tax system to be eroded.

It is in that spirit, with an eye to the future, not just the mistakes of the past, that I urge all members to support this motion.

• (1710)

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, as this is my first chance to speak to the opposition motion today, I want to put on the record that I will be voting for the NDP motion. I think it is important and timely. The Green Party recently issued a very similar statement to the media calling on the government to keep its commitment and its promise to close tax loopholes, such as the ones that are in the motion.

I have a specific question for the member for Victoria. The Auditor General pointed out a number of years ago that the CRA was not using the software that it had to spot tax cheats and offshore tax havens. Instead, it appeared to be fixating on those lower-income Canadians who might owe much less money but were easier to catch. I am paraphrasing the Auditor General's comments.

I would ask my colleague from Victoria if he has any concerns that we have the capacity to track tax cheats right now, but have not had the appropriate focus on the, for want of a better word at the moment, fat cats.

Mr. Murray Rankin: Madam Speaker, I thank the hon member for her support of the motion.

The Auditor General did good work in pointing out that we have the tools to do the job, but what we lack in simple terms is political will.

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I find it outrageous to look at the Canada Revenue Agency website and see that the hairdresser in Chibougamau has not paid her fair share of GST, the carpenters, the hairdressers, the others, a hall of shame, if you will. I ask members to look on the website for the international tax cheats who have found ways through fancy lawyers and fancy accountants to avoid billions of dollars that they should be paying to the Canada Revenue Agency every year. They will find no mention of them.

The government brags about \$444 million in the last budget. Where is the beef? Where is the action on this? Where are we actually showing that we are measuring the tax gap, going after the fat cats whom the hon. member talked of. That is where we will see the difference between rhetoric and reality.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I appreciate some of the words that the member has put on the record, but other words, I somewhat question.

I think it is important as we get close to the end of the debate to recognize that this government has made tax fairness a major part of the 2016 budget. Part of tax fairness means being aggressive, and that is what we saw in the budget with \$444 million, to which the member just made reference, in order to deal with the tax cheats, using the member's words, and tax evasion. These are all serious issues. This government has taken it seriously. This is one of the reasons that, in principle, we support the motion that is being advanced by the New Democratic Party.

The \$444 million that was allocated, which the NDP voted against by the way, has in fact assisted CRA in tracking down tax cheats and recovering hundreds of millions, going into billions, of tax dollars. The jury is still out on how much more is going to be coming in on that. I think we need to be patient in terms of seeing some of the justice the member is waiting for.

Would the member not agree that sometimes it does take a little bit of time to achieve the type of results the member is espousing?

• (1715)

Mr. Murray Rankin: Madam Speaker, \$444 million over five years is interesting, but it has to be understood in the context of the Conservatives cutting 3,000 positions. Where is the beef? I want to know, in the last year since the Liberals did that, how many people they have put in jail. I would like to see how many prosecutions have been undertaken.

The Liberals think that by having a bunch of entry level people somehow they will be able to go after the people who have the sophistication of international tax firms like KPMG that have no trouble showing people how to hide money, or fancy law firms with experts in tax law that manage to find ways around the rules. Do members think they are going after those people? I do not see it. I see fancy ads in the *Globe and Mail*, and sponsored content in the *Financial Post*, but what I do not see is the political will.

I love the rhetoric. I give the government full marks as the Liberal government is great at rhetoric, but I want to see action.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Before I acknowledge the next speaker on debate, I just want to advise him

that he will not have all of the time allotted, because unfortunately, we will be short on time.

The hon. member for Skeena—Bulkley Valley.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, if I had my full time one can only imagine the speech I would have given.

I thank my colleague from Victoria for splitting his time today.

I looked forward to this debate. We in the NDP chose to raise this important issue in one of what are called our opposition day motions. The context is important as we now learn that the government just a couple of weeks from now will unveil its budget to Canadians. A budget, as it is for any Canadian family, as it is for any business, as it is true for a government, is about making choices.

Liberal budgets have been awash in very large debt. It was promised at \$10 billion but is going up to \$30 billion or more. The budget is likely to be awash in red ink, as they say. One would think in a moment like that the emphasis on going after money owed to the government would be of the highest priority. Would it not be better to get the money from those wealthy Canadians and corporations that are cheating, that are just simply breaking the law? One would think that would be the government's first priority before heaping more debt on to the backs of future generations of Canadians.

We know from such credible sources as The Conference Board of Canada that the tax gap is enormous. It is hard to even comprehend an amount of \$47 billion per year. Pulling back from that, we say we have a finance minister who prides himself on being the "minister of no", rejecting money that would make up the funding gap for first nations education, not supplying sufficient money for clean drinking water for every Canadian, saying that affordable pharmacare for seniors and those on fixed incomes is not an option. The Liberals say it is not an option because they do not have money. Did they look? Did they check under the cushions on the sofa to see whether there might be something hiding there? Lo and behold, we know money is hiding.

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This has been going on for years and the Liberals are aware of it. In the last election they said that at a time of high deficits and growing inequality between the richest Canadians and middle-class families this is a disproportionate benefit for the wealthy. What were the Liberals talking about? They were talking about this little tax loophole that costs the Canadian government \$700 million a year in stock options. The Liberals also admitted in their election platforms in both 2011 and 2015 that this tax loophole overwhelmingly goes to the wealthiest Canadians. This is not about entrepreneurship and that go-getter attitude that we want to incentivize. That is not how this loophole is being used and that is what the NDP motion addresses today. We thought the Liberals were going to address this issue in their last budget. Why? Well, because they promised to address it. They said they would. They put a cap on tax avoiders who are aggressive with their taxes.

There seems to be a disturbing pattern with the Liberals. If one is well connected, if one is able to fork over \$1,500 for a cocktail to rub elbows with the PM so to speak, if those individuals could be hosts at a private island then Liberal issues rise to the top. The finance minister has lobbied on this issue. Wealthy Canadians have asked him to please not take away this loophole because they love it, those wealthy Canadians who are able to forgo \$400,000 a year on average in taxes. Not bad. I guess \$1,500 for a ticket to a Liberal fundraiser is worth it if we did a quick cost benefit.

We also know, and we mentioned it in today's motion, that we want to aggressively get at the many tax evasions, the tax avoidances, that come under a number of rubrics, that Canada has become not famous for, but infamous for, that we saw in the Panama papers where the curtain was suddenly pulled back and all the international manipulation of tax regimes was exposed. What was Canada's role in that? What was our reputation? It is called snow washing, a new term we have come across. International accountants advise their international clients that if they do not want to pay taxes, they know that in Canada ownership of a company does not have to be declared but rather could go under a numbered account. If one does not live in Canada, then an individual can set up a company in Canada and declare its profits in another country. It is the perfect place if one wants to set up real action in Barbados, St. Kitts, or wherever it happens to be that income was actually declared because no tax will be paid on it. Canada's reputation just has to be used. These people and companies use the weak and vague laws that we have over corporate governance in this country to hide their money.

We saw this also in the KPMG scam, and there is no other word for it. Even Revenue Canada had the ability to call it what it was. For 13 years KPMG was advising its millionaire clients in Canada that if they wanted to pay taxes they could go ahead and do so, but if those millionaires did not want to pay taxes, they just had to cut KPMG a cheque and it would get their money to a little place called the Isle of Man.

• (1720)

The Isle of Man is famous for concerts and it is also famous for all the fake companies that get set up. Canadian millionaires hired KPMG to set up the scam. When it was finally uncovered and this was starting to unravel internationally, let us compare what happened in the U.S. to what happened here. The Senate called hearings. A half a billion dollar fine was put upon KPMG. It had to admit guilt.

Three people were charged criminally and KPMG had to admit this was exactly what they did.

Let us flip it over to the Liberal-dominated committee here. For those who want to listen to the entire story, CBC's radio program, *The Current*, had this all playing out. It will drive people crazy, as it did my constituents. They wrote me to say that all they expected was basic fairness. When wealthy Canadians avoid paying their taxes, the rest of them, those who follow the rules, have to pick up the tab.

I will wager that every MP in the House has a horror story of some working-class Canadian, some middle-class Canadian, whom the Liberals are obsessed over, going through an interaction with the Canada Revenue Agency that ends very badly. Regardless of whether the person was in the right or in the wrong, the power of the CRA is incredible.

When this KPMG scam was exposed, no one denied it was going on. Hundreds of millions of dollars were being sent offshore and then gifted back to millionaire families. They are such generous people. They simply moved all their money to the Isle of Man, paid KPMG \$100,000, and then were gifted back the money. What a wonderful world these people occupy where they make so much money they feel it is their right and obligation to not pay any taxes for the roads, the services, and the hospitals that we so cherish.

Through all of this, Liberals have said that they have put money into this and that they are getting at it. The Liberals need to back up the rhetoric and back up their promises with actual action, go after the tax cheats and get the money we are all owed so Canadians can finally have the services and the economy they deserve.

[*Translation*]

The Assistant Deputy Speaker (Mrs. Carol Hughes): It being 5:24 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

• (1725)

[*English*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

Private Members' Business

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

And five or more members having risen:

[Translation]

Ms. Marjolaine Boutin-Sweet: Madam Speaker, we request that the division be deferred until tomorrow, Wednesday, March 8, at the expiry of the time provided for government orders.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Accordingly, the division stands deferred until tomorrow, Wednesday, March 8, at the expiry of the time provided for government orders.

[English]

Mr. Kevin Lamoureux: Madam Speaker, I suspect that if you were to canvass the House, you would find consent to see the clock at 5:39 p.m.

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

Some hon. members: Agreed.

The Assistant Deputy Speaker (Mrs. Carol Hughes): It being 5:39 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]

GENETIC NON-DISCRIMINATION ACT

The House resumed from February 14, 2017, consideration of Bill S-201, an act to prohibit and prevent genetic discrimination, as reported (with amendment) from the committee, and of the motions in Group No. 1.

The Assistant Deputy Speaker (Mrs. Carol Hughes): The hon. member for Pickering—Uxbridge has seven minutes left.

Resuming debate, the hon. member for Pickering—Uxbridge

Ms. Jennifer O'Connell (Pickering—Uxbridge, Lib.): Madam Speaker, genetic testing can quite literally save lives. It allows Canadians who suspect that they might be at a higher risk for certain genetic diseases to take early preventive action. Unfortunately, under our current regime, Canadians often refuse to undergo a genetic test, even based on a recommendation from a doctor, because of the fear of genetic discrimination. This fear is not unfounded, as a recent Canadian study found that 40% of individuals with Huntington's disease experience some form of discrimination based on their genetic test results. That discrimination can come in the form of unfair insurance practices, being passed over for a promotion, and even being fired. Unfortunately, there are a number of documented cases of genetic discrimination in Canada, and that number will only continue to grow until we, as parliamentarians, fill that legislative void.

This is not only an issue of discrimination but is a legitimate public health issue. If Canadians continue to fear genetic tests

because of the lack of legal protection from discrimination, they will be unable to access the best possible health care options available.

It is also important to note that a number of developed countries around the world have a regulatory system in place to protect their citizens from genetic discrimination. Many of our counterparts around the world, such as France, Germany, and Spain, all have legislative frameworks to protect the genetic privacy of their citizens and to guard against genetic discrimination. The U.K. and the U.S. also have some systems in place, whether it is a moratorium placed on the use of genetic information by insurance companies or a prohibition against genetic discrimination in health insurance and employment.

Unfortunately, Canada lags behind these countries on this important issue, and our laws have not kept pace with science when it comes to genetic testing. With the passing of this legislation without amendment, we would be able to provide support and protections for our citizens, as some of our international counterparts do.

I would be remiss in my remarks if I did not mention the insurance industry claims that premiums will rise if this important piece of legislation passes. That concern has been addressed, because this bill does not even contain the word "insurance". Although it is true that previous versions of the bill did contain insurance-specific provisions, they have been removed to address concerns about adverse selection and the constitutional issues that would arise because of it.

It is also important to note that in countries where similar legislation has been passed, the insurance industry has not been adversely affected or as severely damaged as feared. Research would also suggest that this would apply here in Canada as well. In fact, that assertion was confirmed by the Privacy Commissioner in July 2014, when he stated at a Senate committee that "the impact of a ban on the use of genetic test results by the life and health insurance industry would not have a significant impact on insurers or the efficient operation of insurance markets".

Peter Hogg, a pre-eminent constitutional law expert, spoke in front of the justice committee on Bill S-201 and has also written on this topic in his book *Constitutional Law of Canada*. In it he states that "The authority to enact legislation of this kind is distributed between the federal Parliament and the provincial legislatures according to which has jurisdiction over the employment, accommodation, restaurants and other businesses or activities, in which discrimination is forbidden. Most of the field is accordingly provincial under property and civil rights in the province. However, there is little doubt that the federal Parliament could if it chose exercise its criminal law power...to outlaw discriminatory practices generally."

Any debate on this issue must, of course, recognize the important role the provinces play. In Mr. Hogg's testimony to the Standing Committee on Justice, he pointed out that the double aspect doctrine was relevant, because there are other precedents where the criminal law power has been exercised. Mr. Hogg used the example of the Highway Traffic Act, where the federal government enacted criminal law while the provinces enact prohibitions related to property and civil rights.

• (1730)

He further clarified that this legislation would “simply be making it an offence to discriminate on the basis of genetic characteristics”. This is something I agree with wholeheartedly, and I feel Canadians want a national standard not to be discriminated against because of their genetic makeup. This is something I agree with and I hope that the House will, as I said earlier, fill that void.

It is also important to note that this legislation has the support of organizations like the ALS Society of Canada, the Alzheimer Society of Canada, the Canadian Breast Cancer Foundation, the Centre for Israel and Jewish Affairs, the Canadian Human Rights Commission, Parkinson Canada, and the Huntington Society of Canada, along with many of my own constituents.

As I mentioned earlier, patients with Huntington's disease are among the most likely to experience degenerative discrimination. It is crucial that we as parliamentarians do all we can to protect Canadians from genetic discrimination and modernize our existing laws to ensure we keep pace with developed countries around the world. I am honoured to have the opportunity to speak on Bill S-201 here tonight and proud to lend it my full support.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Mr. Speaker, it is my pleasure to rise today to speak to Bill S-201, An Act to prohibit and prevent genetic discrimination.

First, I wish to sincerely thank the author of the legislation introduced in the Senate almost a year ago, in April. The former senator from Nova Scotia Mr. Cowan and his colleagues worked very hard on this bill. I would also like to thank my colleague across the way, the member for Don Valley West, for sponsoring the bill. I also thank all my colleagues who have risen in support of the bill currently before us. Lastly, I wish to thank my colleagues on the House of Commons Standing Committee on Justice and Human Rights, who have also worked very hard. They even proposed an amendment to Bill S-201.

What we are discussing today is protecting Canadians and their families from discrimination based on genetics. Amending the Canada Labour Code and the Canadian Human Rights Act allows us as parliamentarians to do something and to achieve this objective.

In the previous Parliament, the Conservative government committed in its throne speech to adopt measures to prohibit discrimination on the basis of genetic testing, including in matters of employment and insurance. Various countries, including the members of the G7, have already adopted measures to prohibit any such discrimination. Unfortunately, Canada has not yet adopted this type of measure. Bill S-201 in its entirety, without the amendments proposed by the government party, seeks to bridge that gap.

We have some catching up to do, and Bill S-201 can help us do that. Some of my colleagues shared their concerns by providing concrete examples of discrimination and quoting various representatives, particularly representatives of groups that advocate for cancer patients and those suffering from other illnesses.

Private Members' Business

What is genetic discrimination? Why is it so important that we address this issue today? I would like to quote the Canadian Coalition for Genetic Fairness, which said:

Genetic discrimination occurs when people are treated unfairly because of actual or perceived differences in their genetic information that may cause or increase the risk to develop a disorder or disease.

We are not talking about someone with a disease, or someone who is suffering, or someone undergoing treatment. We are talking about someone who may have a gene that could eventually result in that person developing a disease.

The Coalition goes on to provide examples.

For example, a health insurer might refuse to give coverage to a woman who has a genetic difference that raises her odds of getting ovarian cancer. Employers also could use genetic information to decide whether to hire, promote or terminate workers.

This is all based on the results of a genetic test. The Canadian Coalition for Genetic Fairness also said:

The fear of discrimination can discourage individuals from making decisions and choices, which may be in their best interest. For example, a person may decide not to have a genetic test for fear of consequences to their career or the loss of insurance for their family, despite knowing that early detection and treatment could improve their health and longevity.

That is what the Canadian Coalition for Genetic Fairness has said and how it describes the situation.

The concrete examples I just gave are, in my opinion, valid reasons for us as parliamentarians, in whom the voters have placed their trust, to pass legislation that protects them from all forms of discrimination. The voters expect us to act.

We do not want to stop progress. We want to see a continuation of the progress made possible by scientific research. We want to be able to treat more and more individuals thanks to the work of researchers. We want to discover the treatment for diseases faster. We want to know earlier and earlier who is predisposed to one day developing this or that disease. If we can help them prevent these diseases, all the better.

• (1735)

Indeed, genetic testing identifies those who are predisposed to developing some of these diseases.

That said, as a society, we cannot allow these discoveries to pave the way for discrimination. As I said a few moments ago, we heard from many who expressed their fears and serious concerns, and I must admit that I share their fears.

Some of my colleagues in the House spoke about the cases of individuals who were turned down for jobs or promotions based on the results of tests to determine whether or not they carried certain genes or whether they were predisposed to develop certain diseases. Testimony to that effect was heard in the Senate. Some of my colleagues here could tell horror stories like those. We cannot allow these discriminatory practices to occur.

Private Members' Business

If passed, Bill S-201 will give Canadians peace of mind, since it will give them the assurance that their genetic history will not be able to be used to determine the future well-being and security of their families.

If insurance companies use that history to refuse life insurance to an individual or his or her family members, we, as legislators, will have failed in our duty to ensure that none of our fellow citizens are discriminated against on this basis.

I am concerned about the Liberal government's plan to make major changes to the legislation that our Senate colleagues introduced and studied. The Liberal government seems to have changed its mind in recent weeks. I am very concerned. That is what I heard in the speech the member just gave. Given what is being reported in the media and the government's proposed amendments, it looks like the government is planning to gut Bill S-201, leaving just a shell. It will take away everything that could have given Canadians extra protection vis-à-vis genetic tests they have taken in the past or will take in the future.

In a piece published on March 2 in *Le Devoir*, we learned that the Minister of Justice spoke about having to go through the provinces to avoid any confrontation. There was mention of the Constitution and jurisdiction. When it is time to act to defend Canadians, I think it is a real shame that this measure, which was introduced by a government member in the House, is literally being gutted.

The government wants to lift the ban on insurance companies requiring the disclosure of past results of genetic testing. The Liberal government will have decided to let Canadians and their families down if the members from the government majority decide to support the proposed amendments. I hope that the government will recognize that Canadians' right to privacy is more important than the interests of insurance companies.

When we go to the doctor, it is to get care. When we undergo testing, it is because we want to get better and we want to cure a disease. When we undergo a complete physical and are asked if we want a genetic test to know if we are predisposed to developing cancer one day, we want to be able to say yes without fear that it will affect our financial well-being, without fear that it will affect our family in the future.

Bill S-201 deserves the support of parliamentarians. On this side of the House, we will support Bill S-201. We believe that parliamentarians must absolutely support this measure. I invite my colleagues opposite, all my colleagues who are not in Cabinet, to vote for Bill S-201 for the good of all Canadians.

• (1740)

[English]

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, I rise today to express my profound disappointment with the Liberal government's decision to gut legislation intended to protect Canadians from genetic discrimination.

Such legislation is essential to ensure that Canadians can make use of genetic testing, without fear, to improve their health care planning and treatment options. With approximately 48,000 genetic tests now available, no Canadian should have to forgo using these critical tools because they lacked effective legal protection from

discrimination. That is exactly what the Liberal government has decided Canadians will have to suffer.

The original version of Bill S-201 proposed to make amendments to the Canada Labour Code and the Canadian Human Rights Act, while introducing a series of new offences and penalties for genetic discrimination in a stand-alone act and to prevent discrimination in contracts in the provision of goods and services. However, the Liberal government's amendments to Bill S-201 have deleted all provisions forbidding mandatory genetic testing and mandatory disclosure of test results, as well as proposed employee protections under the Canada Labour Code. The only provision remaining from the original version of Bill S-201 would make genetic characteristics a discriminatory motive under the Canadian Human Rights Act.

Currently, there is no law in place that protects the genetic privacy of Canadians. This puts Canada out of step with its major industrial counterparts. By eviscerating Bill S-201, the Liberal government is maintaining a serious legislative gap on genetic discrimination that does not exist in any of our G7 partners.

Canada's New Democrats agree that the federal government can, and must, do more to provide comprehensive protection from genetic discrimination for every Canadian. That is why we strongly supported Bill S-201 when it was first introduced in the House. That is why New Democratic MPs introduced similar legislation on three previous occasions.

Simply put, the Liberal government has utterly neutered Bill S-201 and, more important, the rights of all Canadians by eliminating the first ever nationwide protections and penalties against genetic discrimination.

Let us take a closer look at exactly what the Liberal government is proposing to do to the bill.

The original version of Bill S-201 would have enacted a new statute, the genetic non-discrimination act, prohibiting any requirement that would force an individual to take a genetic test or disclose the results of a genetic test. Further, it would have prohibited anyone from collecting or using the results of a person's genetic test without the person's written consent as a condition of providing goods or services to the person, entering into or continuing a contract with the person or offering or continuing particular terms or conditions in a contract with the person. Researchers and practitioners providing health services would have been exempt from this aspect of the legislation.

Private Members' Business

The original version of Bill S-201 would have made changes to the Canada Labour Code to prohibit federally regulated employers from taking disciplinary action against an employee because the employee refused the employer's request to take a genetic test or reveal the results of a previous test. The original bill would have also amended federal privacy legislation to make it clear that "personal information" would include information derived from genetic testing. Breaking the law would have been a criminal offence, punishable by fines and imprisonment.

In other words, the original bill would have provided Canadians with protection against discrimination on the basis of their genetic makeup. It would have protected Canadians from being forced to disclose genetic information to insurance companies and their employers. However, the Liberal government has stripped those protections from the bill.

In doing so, it is important to note that the Liberals are ignoring, indeed, countermanding, the overwhelming weight of testimony at both the House Standing Committee on Justice and Human Rights and the Senate Standing Committee on Human Rights. Before both bodies, the vast majority of witnesses supported the legislation as originally proposed. This view was echoed by the Canadian Coalition for Genetic Fairness, a diverse alliance of organizations that advocate on behalf of the families directly affected by genetic conditions, folks who are witnessing the disturbing prevalence of genetic discrimination first hand.

As stated, the only provision that the Liberal government has chosen to maintain is to amend the Canadian Human Rights Act to include genetic characteristics as a prohibited ground of discrimination.

• (1745)

Unfortunately, this provision is arguably the weakest of the protections contained in the original text of the bill. As Marie-Claude Landry, the chief commissioner of the Canadian Human Rights Commission told the justice committee:

While changing the Canadian Human Rights Act will be a positive step for human rights, it cannot address all the concerns surrounding genetic discrimination.... There will still be a clear need to address the very real and the very serious fears of discrimination raised during the Senate debate..., fears about test results being used against us and fears for our children. We believe that in order to properly address these concerns it is going to take a concerted [comprehensive] national approach.

This is deeply disappointing to all those who believe in rights. It will create fear that Canadians will not qualify for insurance coverage. It will compel employees to provide their employers or prospective employers with personal information that may then be used to deny them employment. Worse, it will cause Canadians to decline to get tested for many conditions, to avoid creating a record that may someday be used against them. This will harm Canadians' health and set back critical treatment and research into many genetically influenced diseases.

These concerns have been eloquently captured by David Loukidelis, Q.C., B.C.'s information and privacy commissioner from 1999 to 2010 and deputy attorney general from 2010 to 2012. He recently wrote to the member for Edmonton Centre, the sponsor of the amendments to strip this bill of its protections. He wrote:

I am deeply disappointed, to say the least, by your motions to gut Bill S-201. Retention of the amendments to the CHRA is laudable as far as that goes, but it is not

far enough, to address the very real threat posed...by genetic discrimination in the workplace, in insurance markets and in other areas of life. The fear of discrimination on this basis is amply justified—genetic discrimination is having real-life consequences for Canadians now. It is already harming vulnerable Canadian children now....

More needs to be done—and can be done—by Parliament. I am appalled by your complicity in the executive's thwarting of this critically-important legislation. The supposed constitutional concerns now being bandied about are a smokescreen and no more, as Peter Hogg...has made plain. I call on you to stand up for Canadian children, for all Canadians, by withdrawing your motions and by fighting against discrimination, not supporting it.

The Liberal justice minister argues that the original version of the bill is unconstitutional, but when they studied Bill S-201 even the Liberal members of the Senate human rights committee were clear that they heard no convincing evidence supporting the justice minister's position. On the contrary, Bill S-201's constitutionality was confirmed by a number of constitutional experts who testified before Parliament, including Peter Hogg, perhaps the leading authority on Canadian constitutional law.

One critical piece of evidence reveals in stark manner the nonsense of the government's constitutional excuse. The Liberal government has removed the bill's employment protections from the Canada Labour Code, which applies solely and completely to Canadians in federally regulated jurisdiction. There can be no argument that it is unconstitutional for the federal government to provide protections to federally regulated employees, yet that is exactly what the Liberal government has done.

I submit that, rather than acting on constitutional concerns, the Liberal government has clearly caved in to pressure from the insurance industry and big business. Disgracefully, the Liberal government has clearly indicated that it will favour corporate lobbyists wanting to protect their profits over the human rights of Canadians wanting to protect their rights, privacy, and health.

However, rather than acquiescing to fearmongering, I am hoping that every member of the House, including Liberal backbenchers, will actually vote to preserve the bill. I know there are good Liberal members on that side of the House who agree with the arguments being made here today.

I will end by quoting Tommy Douglas, who told us, "Courage my friends, 'tis never too late to build a better world".

I am hoping that the Liberal members of the House will do the right thing, stand up for Canadians' human rights, and vote against this cynical and illegitimate attempt to strip this important bill of the very real protections that Canadians need to protect them from genetic discrimination.

• (1750)

Ms. Pam Damoff (Oakville North—Burlington, Lib.): Mr. Speaker, it is an honour to speak today in support of Bill S-201, the genetic non-discrimination act. I applaud Senator Cowan for his efforts for many years on this issue and my colleague, the member for Don Valley West, who has been a tireless advocate to end genetic discrimination.

Private Members' Business

With this bill, we have the historic opportunity to join all other G7 countries that already have legislation that protects its citizens from discrimination based on their genetics.

As we have heard, the bill has three components, each of which is critical to the new genetic non-discrimination bill, which would make it a criminal offence for a service provider to require genetic testing or that a person disclose results of past testing. The second part would amend the Canada Labour Code to set up a complaint procedure for those working in federally regulated industries. Finally, it would amend the Canadian Human Rights Act to add the words “genetic discrimination”.

The proposed amendments would remove two of these three components of the bill and could leave more 90% of Canadians with a false sense of security that they are indeed protected. As we know, only 5% to 7% of Canadians are covered by the Canadian Human Rights Act, so most would still remain without protections with the government's proposed amendments.

My colleague from Don Valley West shared a timeline that highlights the rapid changes taking place in genetic testing. In 2003, scientists first mapped the human genome. Then there were 100 genetic tests for diseases or conditions. When Senator Cowan first spoke about this issue in the Senate 10 years later, the number of tests had jumped to 2,000. Today that number has skyrocketed to almost 35,000, with tests available for more than 10,000 conditions.

The Canadian Coalition for Genetic Fairness is a group of 18 organizations dedicated to establishing protections from genetic discrimination for all Canadians. Members include the ALS Society of Canada, the Alzheimer Society of Canada, Muscular Dystrophy Canada, the MS Society of Canada, Osteoporosis Canada, and 13 more. They have stated that cases of genetic discrimination have been documented in Canada and are continuing to grow. As they remind us, all Canadians are impacted by genetic discrimination. Each of us has dozens of genetic mutations that could increase or decrease our risk of getting diseases such as diabetes, heart disease, cancer, Parkinson's, or Alzheimer's disease.

While I was aware that genetic testing was available, like most Canadians I had not given it a lot of thought. While I knew that my father's colon cancer made it more likely for me to develop the same cancer, there was not a genetic test available for that particular cancer. I knew about the BRCA gene and its connection to breast and ovarian cancer, but it was not until last year, when I had a meeting with Ovarian Cancer Canada, that I was shocked to learn of the discrimination that is taking place in our country based on genetics.

Ovarian cancer is an insidious disease that is notoriously hard to detect. There is no reliable early detection test. It is the third most common reproductive cancer in women and one of the most deadly. I was told the story of two sisters who had a history of ovarian cancer in their family. Their doctors recommended genetic testing, as their prognosis would greatly improve with the knowledge gained from these tests. One sister had the testing, was positive for the gene, and had surgery to remove her ovaries. The other sister was told her insurance would be cancelled if she tested positive, so despite the fact that the test could potentially save her life, she was afraid to risk losing her insurance and did not get genetic testing.

Just last night, I received a letter from a constituent who wished to stay anonymous out of fear of discrimination. She disclosed that she and her daughter had a genetic test that found that they both had a gene that could leave them blind. She questioned the fairness of allowing a simple genetic test to undermine her future access to employment and insurance, and she worried about her daughter and the effect it could have on her career and future. She reminded me that we live in Canada, a country where we celebrate our differences. We protect one another from race, colour, sex, and disability discrimination.

In an article posted yesterday, representatives from Ovarian Cancer Canada and the Centre for Israel and Jewish Affairs wrote:

For a young woman taking her first steps in building a professional career, the “wrong” genetic test results can impose a new glass ceiling....

Tomorrow is International Women's Day, and members of this House will have an opportunity to enhance women's health by allowing them to use genetic testing for early detection, monitoring, and intervention without the fear of being discriminated against.

•(1755)

Last year I had the opportunity to speak with Rabbi Stephen Wise from the Shaarei-Beth El congregation in Oakville. He shared with me the prevalence of certain genetic diseases within the Jewish community. He said that Bill S-201 would save lives. In fact, the Centre for Israel and Jewish Affairs, a member of the Canadian Coalition for Genetic Fairness, which appeared as a witness before the justice committee, stated, “It is time for the law to catch up with science and bring an end to genetic discrimination”. On its website, it highlights that governments continue to invest billions in promising genome research, but the benefits of this research will be diminished or degraded due to genetic discrimination.

A *Globe and Mail* story from last year told the story of a 24 year old who was fired from his first job of his career when he told his employer he had tested positive for the gene for Huntington's disease. Our human rights laws do not cover this type of discrimination yet. Bill S-201 would change that. This is one of the many reasons why the bill should pass as is, without amendment. As it is currently written, the bill would make this type of dismissal criminal and allow individuals to make their case through the less cumbersome judicial process.

Constitutional law experts have stated that the bill would be constitutionally valid because it did not single out a particular industry that fell under provincial jurisdiction.

Private Members' Business

This issue has been debated in the House of Commons and the Senate. The issue of genetic screening has been mentioned in both the Liberal and Conservative Party platforms, and the NDP recently had a private member's bill to ban "genetic characteristics" as grounds for discrimination under the Canadian Human Rights Act.

I suspect most Canadians would be shocked that their genetic test results could be used to discriminate in employment, insurance, and even divorce cases. Often it is not until people are advised to get genetic testing that they find out about this discrimination. The fear of the disclosure is actually preventing people from getting tested. This is just wrong.

Genetic testing is transforming medicine by moving medical research toward personalized medicine. Modern medicine is recognizing that mapping the human gene for diseases and conditions can truly change the way we treat individuals.

When Dr. Cindy Forbes, past president of the Canadian Medical Association, appeared before the justice committee, she stated the CMA's strong support for Bill S-201 in its entirety. She spoke to the rapid growth of genetic testing and the great promise it held in the diagnosis and therapeutic treatment of many known and new diseases. She said this would ultimately enhance the quality of life of many patients and allow for early diagnoses that would benefit patient care. She testified that genomic medicine was a transformative development.

She also stated:

Of great concern to Canada's doctors and their patients is the fact that public policies and legislation have not kept pace with this transformation. Genetic discrimination is both a significant and an internationally recognized phenomenon... As Canada's doctors, it is the CMA's position that Canadians deserve to have access to the best possible health care without fear of genetic discrimination.

She testified to the correlation between disease and genetics, stating:

Six out of every 10 Canadians will be affected during their lifetime by a health problem that is genetic in whole or in part. It's important to recognize that genetic testing will no longer be limited to rare, esoteric genetic diseases occurring in patients seen by a handful of specialists across the country. Rather, it's becoming an integral part of broad medical care and, as such, is expected to become mainstream medicine.

As legislators, it is imperative that we deal with this issue now and give those who undergo genetic testing the protection they deserve. Bill S-201, if passed as originally written without amendments, will bring our laws in line with other G7 countries. This law is long overdue. It will protect our citizens. It is the right thing to do.

• (1800)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, it is a pleasure for me to rise today to debate the bill.

This is an important bill substantively, but I think it also signals an important moment in the life of this Parliament. It speaks to the opportunity that we have as individual members either to stand up for a cause that is important, and indeed to stand up for the importance of the role of members of Parliament, of the work we do in committee and elsewhere, or perhaps it will be a moment when too many members roll over to pressure from the front bench. I want to talk a bit about that context and then speak about the substantive portion of the bill.

This is a bill that was approved unanimously in this place at second reading on October 26. All members of all parties supported it at that time. Of course, it is fair for members to support in principle legislation which they then want to see amendments to and then to subsequently vote against it at third reading. However, it is worth noting that at the time, this reflected a very strong consensus of members.

The bill was studied in detail at the Standing Committee on Justice and Human Rights under the very able chairmanship of my friend from Mount Royal. All of the clauses of the bill were approved in committee. I understand the committee heard from many different witnesses, did a detailed analysis of the bill, and reported it back recommending support. Then, much to the surprise of members here, we had the government, the member for Edmonton Centre, notably the former parliamentary secretary for Canadian heritage, not even somebody responsible ostensibly for anything related to this file, put forward amendments which gut the bill. These amendments were to delete every single clause. When he moved these amendments, he noted that they had not been considered at committee.

Of course, as other members have pointed out already, committees do not consider amendments to delete clauses. They vote on clauses in whole. That is the time when members of the committee can consider whether or not to include a particular clause in the bill. Every one of those clauses was approved by the members of the committee, which of course includes Liberal members of the committee.

This eleventh hour amendment coming from the government was not simply a matter of the parliamentary secretary showing disregard for the work of the opposition. He was showing disregard for the work of all members of the House, including government members who had worked very hard on this piece of legislation. This bill was moved by a Liberal member, the member for Don Valley West, who has worked very hard on this issue. Many other members of the government have spoken passionately, and I think very effectively, about the merits of this bill.

I say to members who are considering how they will vote when this comes up that this is really an important opportunity to send a signal about the role of members of Parliament in this place and where we stand when it comes to what our responsibilities are. We are not here as delegates of a political party, at least not principally. We are not here as members of some electoral college that simply chooses the prime minister, who then chooses the cabinet. We are here to speak on behalf of our individual constituents and to articulate our convictions which reflect their convictions. We have a responsibility to the people who sent us here and to this institution to exercise our considered judgment in the votes we take.

I know it is not always easy to vote against a recommendation that comes from one's party, but especially on matters of grave importance such as this that deal with fundamental human rights and discrimination, we have a responsibility to exercise our considered judgment here and vote on behalf of our constituents. I know there are some members of the government who are prepared to do this.

Private Members' Business

I hope that we will see this very good legislation pass. It is legislation that was recognized to be constitutional, the value of which was recognized by the committee, and was recognized here at second reading. I hope we will proceed with it again as a recognition of the importance of this legislation, but also as a recognition of the importance of members of Parliament and the value of the work that was done.

The committee study process and the debates that have happened in this place, these are not mere matters of form. These are important venues and opportunities for actual discussion and consideration. When all of those discussions point to the importance of the bill and the value of approving it, surely we have a responsibility as members to consider that, take it on board and support it, not to sanction this eleventh hour gutting attempt by the government, moved by a member not even given specific responsibility, as far as we know, for this file.

●(1805)

That said, recognizing the importance of where we are procedurally, I would like to speak as well about the substantive aspects of the bill. The bill addresses genetic discrimination. There are genetic tests that individuals can have. They give them information about themselves, and their predisposition, perhaps, to contract certain health problems later in life. However, it is currently legal for employers, for insurers, for others, to use that information to discriminate against individuals.

This is a form of discrimination like any other. We do not accept discrimination in this country and we should not accept it in the case of genetic discrimination. It is a basic extension of our well-established norms of human rights protection. However, there are additional points about genetic discrimination that should underline the importance of passing this legislation, because not only is this a form of discrimination at a basic simple level, but this kind of discrimination discourages research and it discourages people from getting tested.

Right now, if a person receives more information about their genetic makeup that may help them understand what they might experience in the future, that information could be used against them, which creates perhaps a disincentive for them to gather that information. It also creates a disincentive for those who might be looking to help people with a particular genetic ailment, a disincentive to do research, knowing that their research might be used to discriminate against the people they are actually trying to help.

This reality, that the current law allows this kind of discrimination, could well, as the science advances, put a disincentive in place for people who want to get tested and for people who want to do research. Yes, we recognize that this is a form of discrimination, but it is also particularly pernicious insofar as it can put a chill on that research, a chill on people getting information that would be useful to them.

There is a simple response to this. We can pass well-drafted legislation that experts at the committee recognize because it is in the constitutional jurisdiction of the federal government. We can address this discrimination and we can at the same time remove these chilling elements.

I should also underline that for those who think there is some fundamental, unforeseen problem to moving forward with this, Canada is an outlier. We are the only G7 nation that does not have laws with respect to genetic discrimination, and usually we think of Canada as a leader in combatting discrimination. In fact in this case, we are an outlier and it is Canada that needs to catch up, and unfortunately, some members of the government do not seem to want to see that happen.

We have a common-sense bill before us that addresses discrimination, that helps us to catch up with the rest of the world, and that also opens the door for expanded research and makes it easier to choose to get tested.

We will have a vote on the bill tomorrow, and I hope every member of Parliament will vote in favour, but at least I hope that every member of Parliament will actually take the time to study the legislation, to consider what was said at committee, to consult the members of their party who were on the committee and who were a part of that study. We all have that responsibility, not just to look at the recommendation we get and sail in that direction, but to really think through the impact of this.

I think what the government has tried to do is wrong, trying to, at the 11th hour, undercut the important work that was done by the committee and done by this House is not the right way to proceed. This is the right bill to move forward and this is an opportunity for members of Parliament to emphasize the importance of our role as delegates on behalf of our constituents and as people responsible to exercise our own considered judgment. I would encourage all members to vote in favour of the bill.

●(1815)

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

Some hon. members: Question.

The Assistant Deputy Speaker (Mr. Anthony Rota): The question is on Motion No. 1. A vote on this motion also applies to Motions Nos. 2 to 8. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And five or more members having risen:

Adjournment Proceedings

[Translation]

The Assistant Deputy Speaker (Mr. Anthony Rota): Pursuant to Standing Order 98, the recorded division stands deferred until Wednesday, March 8, immediately before the time provided for private members' business. The recorded division will also apply to Motions Nos. 2 to 8.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[Translation]

FOREIGN AFFAIRS

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, on November 14, 2016, I rose in the House to ask the former Minister of Foreign Affairs why he blocked a shipment of weapons to Thailand because of human rights concerns, which was a very good thing, but approved the sale of weapons to Saudi Arabia, even if it has an even worse human rights record, if that is possible, and in spite of the actions of Saudi Arabia in Yemen.

I also asked him when he would accept the idea of creating a parliamentary committee to examine Canadian arms sales on an ongoing basis given that the Liberals promised transparency during their mandate.

I did not really get an answer. We all know that it is question period and not necessarily answer period, but the minister did inform me of Canada's intent to sign the Arms Trade Treaty. Since then, the government has continued to ignore us when we have asked for greater transparency.

The situation in Yemen has drastically deteriorated. Two-thirds of the population, or 19 million people, needs humanitarian aid and the government remains silent.

We also learned that the former Minister of Foreign Affairs at the time was not suitably made aware of the human rights situation before approving the sale of arms to Saudi Arabia. As far as the Arms Trade Treaty is concerned, we are still looking for the bill. I am not sure if it is hidden somewhere in an office, but there has been no movement on the matter.

I have a number of questions for the Minister of Foreign Affairs. First, does she believe that Canadians, through the work of this Parliament, are entitled to transparency when it comes to the sale of Canadian arms?

Did the department responsible adequately inform the minister of the human rights situation in Saudi Arabia?

How does the minister feel as a woman, on the eve of International Women's Day, about the fact that we are selling arms to a regime that oppresses women?

Does the minister believe that Saudi Arabia violated international humanitarian law in Yemen? If so, what does she intend to do about that?

When are we finally going to see the bill to have Canada sign the Arms Trade Treaty?

Mr. Matt DeCoursey (Parliamentary Secretary to the Minister of Foreign Affairs, Lib.): Mr. Speaker, let me first say how encouraging it is to see the members of this House, as well as all Canadians, sharing the government's concerns about maintaining the highest standards on issues of peace, security, and human rights around the world.

[English]

Regarding Canada's export regime, all applications for permits to export controlled goods or technology are carefully reviewed against the full range of Canada's defence in foreign policy interests. The objective of this review is to ensure that exports from Canada do not cause harm to Canada or to our allies, do not undermine national or international security, do not contribute to regional conflicts or instability, do not contribute to the development of weapons of mass destruction or their means of delivery, that they are not used to commit violation of human rights, and that they are consistent with economic sanctions.

Our controls are in line with those of our allies and of our partners. However, we have heard the concerns of Canadians and we are fully committed to making Canada's export control regime even stronger.

On June 17, 2016, our government tabled the Arms Trade Treaty in the House of Commons, something that the previous Conservative government failed to do. Canada's accession to the Arms Trade Treaty will further enhance transparency in the export controls process, while not putting Canadian companies at a commercial disadvantage.

Let me remind the member and all Canadians that the Canadian defence industry provides 70,000 Canadian jobs. Canadians rightly deserve and expect a fair and level playing field. However, Canadians also expect us to live up to our commitment to promote responsibility, transparency, and accountability. This is the right thing to do and we will soon be introducing legislation to this regard. When we do introduce the legislation, members of the House, including my colleague opposite, will have an opportunity to study, analyze, and contribute to this discussion.

I look forward to hearing from the member opposite as well as collaborating with her, so Canada can successfully accede to the Arms Trade Treaty.

Furthermore, Canadians will soon see the results of new transparency measures that will be put in place in the form of enhancements to our annual reports to Parliament on the administration of the Export and Import Permits Act and on military exports from Canada. We committed to being more transparent and accountable, and we will deliver.

Adjournment Proceedings

With respect to the export contract of light armoured vehicles to Saudi Arabia, let me remind the House that this contract was signed under the Conservative government in February 2011. All three parties, including the NDP, committed during the 2015 election campaign to respect this contract. To quote the leader of the NDP, “You don’t cancel a commercial accord retroactively, it’s just not done”. Unlike the NDP, we are sticking to our word in honouring the contract, but will also further enhance transparency and accountability in this regard.

Regarding Saudi Arabia’s human rights record, are we passive? Absolutely not. Our government takes every opportunity to raise critical issues with senior Saudi officials like humanitarian issues, consular cases, and universal human rights. We have raised these issues directly with the king, the crown prince, the minister of foreign affairs and other ministers of state, and the president of the Saudi human rights commission. We will never shy away from the opportunity to promote human rights both at home and abroad.

• (1820)

[*Translation*]

I thank my hon. colleague for giving me this opportunity to point out what our government is doing on this important issue.

Ms. Hélène Lavergne: Mr. Speaker, my colleague said that the contract was signed by the Conservatives. What the Liberals are telling us is that it was a done deal, except that it was the Liberals who approved the export permit, which is a crucial element. The contract is not finalized until there is an export permit.

The export permit is not a Christmas ornament; it is the last, crucial step. If we look at this as some secondary, minor point, it is no big deal, and all the fine speeches about the highest standards for peace and human rights are nothing but empty rhetoric in such a context.

My colleague also said that all arms sales are carefully reviewed. If they are carefully reviewed, why is it that the minister was not even briefed on it, which we know through an access to information request?

Mr. Matt DeCoursey: Mr. Speaker, the contract in question was negotiated by the former government and we all know that the NDP strongly supported that contract.

[*English*]

As I said, our government is delivering on our campaign commitment to join the Arms Trade Treaty, which will increase transparency and accountability. In regulating the global trade of arms, we all know that this is the right thing to do.

As we move forward on this commitment, I look forward to an open and rigorous debate in the House with colleagues from all parties, including my hon. colleague opposite.

[*Translation*]

Our government has clearly expressed its position on human rights: human rights are an integral part of our foreign policy because they are an integral part of who we are as Canadians.

• (1825)

[*English*]

FINANCE

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, the Liberal government likes to boast about supposedly unprecedented consultation with Canadians but exactly who did the finance minister consult before changing insured mortgage rules? I can tell the House who he did not consult. He did not consult the mortgage or the housing industries.

On February 1 I attended the Standing Committee on Finance to hear witnesses discuss the effects that mortgage rule changes are having on their businesses, their customers, and Canada’s many regional housing markets. One point was absolutely clear: none of them had been consulted.

Here are some of the things that the finance committee heard that the minister would have heard had he bothered to ask:

He would have heard from many witnesses that the new rules will reduce competition, leading to higher interest rates and fewer options for Canadian consumers.

He would have heard from Michael Lloyd of DLC Canadian Mortgage Experts that the new rules are, “not even effective in Vancouver and Toronto. You’re bludgeoning everyone and it’s not fixing a thing.”

He would have heard from Paul Taylor of Mortgage Professionals Canada that, “The spin-off impacts of a reduction in purchasing power for the middle class could have the unintended consequence of creating the scenario that these policies aim to prevent, which is a national debt crisis caused by a significant economic decline.”

He would have heard from Stephen Smith of First National Financial that the insured mortgage stress test will, “reduce the affordability of housing for first-time homebuyers in the softer markets in the country—the Prairies, Quebec, and Atlantic Canada—and will have a minimal effect on the overheated markets in Vancouver and Toronto.”

He would have heard from the President of Canada Guaranty Mortgage Insurance that, “elevated housing market activity in Toronto or Vancouver is not and has not been driven by the first-time homebuyer.”

He would have heard from Bob Finnigan of the Canadian Home Builders’ Association that measures like the stress test can, “lock out otherwise qualified homebuyers, they can cause a downward spiral in local economies.”

He would have heard from Sherry Donovan of the Nova Scotia Home Builders’ Association that a mortgage lender she knows in Newfoundland estimated that 25% to 30% of its clients would not qualify under the new rules. She would have told him that a Newfoundland homebuilder reported that he went from an average of 50 home sales between October and December each year down to zero sales for the same time period once the new rules came into effect.

Adjournment Proceedings

The minister would also have heard from the Canadian Home-builders' Association that the cost of a home in Toronto has increased by \$300,000 over the past few years due largely to government regulations, fees, and taxes.

He would have heard that the crisis of affordability in Vancouver and Toronto was not caused by mortgage availability, but by lack of supply, largely due to government regulation.

Did the Minister of Finance intentionally avoid consultations because he did not expect to like the answers that he would get, that he did not want to hear about first-time homebuyers and young families, or about the folly of imposing a uniform national policy on diverse regional markets?

Did the minister not think that the mortgage and housing industries expected to have a say, given that they were consulted on all five of the past mortgage rule changes over the past decade?

For a government supposedly devoted to science and evidence, is it not hypocritical for the Minister of Finance to impose changes to the rules on mortgages without asking any outside experts in the field?

For a government dithering aimlessly on a host of other issues in the name of consultation, it sure rammed through the mortgage rule changes, running over both industry and consumers. The question is why?

[*Translation*]

Hon. Ginette Petitpas Taylor (Parliamentary Secretary to the Minister of Finance, Lib.): Mr. Speaker, I would like to thank you for giving me the opportunity to answer that question.

[*English*]

The government fully appreciates the challenges faced by middle-class Canadians and those who are working so hard to join the middle class. This includes middle-class families' concerns over reduced housing affordability in some regions and taking on high levels of debt, reducing the likelihood that they will be able to afford their properties over the long term if economic circumstances were to change. Those who already own their homes want to know that the market is stable and that the most important investment they have made in their life is safe. This is why our government has been focused on housing issues since coming into office. We have taken a series of carefully targeted measures to ensure stability and to promote affordability.

Effective since February 15, 2016, the minimum down payment of a new insured mortgage increased from 5% to 10% for the portion of the house price above \$500,000. In October, the government made changes to the mortgage insurance rules and tax measures to help ensure that new homebuyers are more resilient and that the principal-residence exemption is only claimed in appropriate cases. These measures are focused on addressing the buildup of housing debt across Canada. This includes markets such as Vancouver and Toronto, which have seen significant house price increases, but also other areas of the country where buying activity is more modest but new buyers are highly indebted. These measures will require borrowers and lenders to make adjustments in the short term and are expected to lead to a temporary reduction in housing activity.

However, they are important in containing risk to preserve the long-term stability of the housing market.

The government is also committed to doing its part to fully understand the range of factors impacting regional housing markets. This is why in budget 2016 we provided funding to Statistics Canada to develop a methodology for gathering data on purchases of Canadian housing by foreign homebuyers. The finance minister also created the federal, provincial, and municipal working group of officials to review the range of factors affecting regional housing markets.

Finally, the government is engaging on housing affordability to support the needs of our most vulnerable population. In budget 2016, the Government of Canada spent \$2.3 billion on affordable housing. It will continue to work closely with the provinces and municipalities on this file. My colleague the Minister of Families, Children and Social Development is currently developing a housing strategy. We have seen in other countries what can happen to the housing market and economy when housing risks and the leverage are not appropriately managed. In these situations, it is often middle-class families who suffer the most.

It will take time before we can fully assess the impact of all of these measures, and the government is closely monitoring housing and mortgage markets across the country. Measures that ensure a sound and stable housing market and financial security for Canadian families are a part of the government's economic plan, which is based on the notion that, when we have an economy that works for the middle class, we have a country that works for everyone. The series of actions the government has taken over the course of the past year demonstrates our commitment to protecting the long-term financial security for Canadians.

● (1830)

Mr. Pat Kelly: Mr. Speaker, the government is stating that it is concerned about the affordability of housing for Canadians; yet the measures the Liberals have taken have done absolutely nothing to address this issue in the pockets of concern that they have identified in Vancouver and Toronto, according to the experts who have testified at the finance committee; and they are taking the dream of home ownership away from a substantial number of would-be first-time homebuyers in markets like Calgary, Victoria, cities of southern Ontario outside of the GTA, and especially Atlantic Canada, as was put very forcefully at the finance committee by the Nova Scotia Home Builders' Association. It is the same government that is running an absolutely out of control deficit, has in this House used low interest rates as a justification for doing so, and is lecturing homebuyers about the risks of credit.

Adjournment Proceedings

Hon. Ginette Petitpas Taylor: Mr. Speaker, investing in a home is the single largest and most important financial decision most Canadians will make in their lives. Home ownership is vital to the economic and financial health of Canada and middle-class families. It is vital that we do what we can to ensure that the market is stable and that we provide peace of mind to homeowners all across Canada. The government continues to work collaboratively to address housing affordability and stability issues. We are closely monitoring the impact of recent policy measures and are committed to addressing the overall health and stability of the housing market across Canada, financial systems, and the economy.

IMMIGRATION, REFUGEES AND CITIZENSHIP

Ms. Jenny Kwan (Vancouver East, NDP): Mr. Speaker, the government's own definition of the safe third country agreement with the U.S. states:

Only countries that respect human rights and offer a high degree of protection to asylum seekers may be designated as safe third countries.

However, it is clear that many refugees no longer feel that the U.S. is a safe country for them because of Trump's discriminatory edicts, fuelled by his anti-refugee and Islamophobic rhetoric. Trump's first attempt with his discriminatory immigration ban was quickly struck down by the U.S. court system. However, a new order was issued just yesterday, and frankly, the new order is still discriminatory and the impact of that will be felt in Canada.

To date, we have seen the numbers at irregular crossings spike, more than doubled and in some cases tripled, since Trump was elected. Some people suffered frostbite and had their fingers and toes amputated. People crossing have included families with babies and toddlers, and pregnant women. In one of those crossings, a toddler said to his mom that he could not go on anymore. He said that he wanted to die and asked his mother to go on to Canada without him.

Let us be clear. People are doing this because they are desperate. For them the U.S. is no longer a safe country and they no longer feel that they could have a fair hearing about their claim in the U.S. This sentiment was verified by Amnesty International which surveyed 30 asylum seekers from the U.S. and all 30 said that they had no intention of coming to Canada, that is, until Trump.

These crossings are dangerous for asylum claimants and distressing for many Canadians. Suspending the agreement would allow refugee claimants to be processed through official border crossings in an orderly fashion. Honestly, I do not know what it takes for the Liberal government to act. Are we waiting for another tragedy? The death of Alan Kurdi prompted the Liberals to make their campaign promise to resettle Syrian refugees. Are we waiting for a child to die in the snow before we will act?

Groups calling for the suspension of the safe third country agreement include Amnesty International, the Canadian Civil Liberties Association, the B.C. Civil Liberties Association, the Canadian Association of Refugee Lawyers, the Canadian Council for Refugees, and a group of some 200 law professors from universities across Canada. In fact, a report from Harvard Law School's immigration and refugee law clinic concluded that the U.S. "is not a 'safe country of asylum' for those fleeing persecution and violence".

New Democrats will continue to call on the Liberals to suspend the enforcement of the safe third country agreement. The government needs to evaluate whether the U.S. asylum law, policies, and practices comply with the 1951 Refugee Convention and other international human rights obligations. If we do nothing, we are complicit with Trump's discriminatory ban.

In addition, the Liberals need to stand up for Canadians of visible and religious minorities who are being targeted and discriminated against at the border. A young Moroccan student travelling with his team to compete at a sporting event was singled out and interrogated for five hours before he was denied entry. He was asked about his parents, even though they were not travelling with him, and his phone was searched. A Moroccan woman was questioned for hours intrusively about her religion and about her opinion of Trump before she was turned away. An Afghan Canadian doctor was interrogated for five hours and ultimately refused entry as well.

Just yesterday, it was reported that a young Indo-Canadian woman who was trying to go to the U.S. for a one-day spa trip with her girlfriends was singled out, interrogated, and reduced to tears before she was refused entry. It was reported that the border agent actually said, "I know you may feel like you've been Trumped" before informing her she needed an immigrant visa to travel to the U.S.

To be clear, all those targeted are travelling with valid Canadian—

• (1835)

The Assistant Deputy Speaker (Mr. Anthony Rota): The hon. Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship.

[Translation]

Mr. Serge Cormier (Parliamentary Secretary to the Minister of Immigration, Refugees and Citizenship, Lib.): Thank you, Mr. Speaker, for the opportunity to take part in this adjournment debate and explain the safe third country agreement to Canadians.

The safe third country agreement is based on the principle that individuals should seek asylum in the first country they arrive in. This principle is accepted by the United Nations Refugee Agency. It is important to note that the safe third country agreement applies only to refugee claimants who are seeking entry to Canada from the U.S. via land border only, and does not apply to asylum claims made inland. It also does not apply to claims made by people intercepted while entering Canada at a place that is not a legal point of entry.

Foreign nationals from any country may make a claim for asylum in Canada. Immigration officers receiving a refugee claim will decide whether the claim is eligible for referral to the Immigration and Refugee Board of Canada, an independent administrative tribunal that makes decisions on immigration and refugee matters.

Adjournment Proceedings

The Immigration and Refugee Board decides who is a convention refugee or a person in need of Canada's protection. Once a claim is made, individuals may also apply for social assistance which is the responsibility of provinces and territories.

The safe third country agreement remains an important tool for Canada and the U.S. to work together on the orderly handling of refugee claims made in our countries.

As the minister mentioned yesterday in the House, the head of the UNHCR in Canada is on record as stating that the domestic asylum system in the United States is intact, and therefore it would be irresponsible, and I did say irresponsible, to withdraw from the safe third country agreement.

Having said that, if the NDP would like to have discussions with the High Commission, whose team has very specialized knowledge of this area, it is free to do so. We will continue to monitor this evolving situation and we are working with the United States as it reviews parts of its resettlement program.

The Government of Canada will continue to provide protection to those in need, as always.

• (1840)

[*English*]

Ms. Jenny Kwan: Mr. Speaker, those who are trying to seek safety here in Canada are on the record as saying that they do not feel that the U.S. is a safe country for them. That is why that agreement needs to be suspended.

It is not just the NDP that is saying it. The Canadian Council for Refugees, the Canadian Association of Refugee Lawyers, the Canadian Civil Liberties Association, Amnesty International, and more than 200 law professors have been clear that in light of these

troubling developments south of our border, Canada must suspend the safe third country agreement.

Those who are risking life and limb are doing it because of this agreement. The member talked about wanting to create orderliness at the border. The way to do that is to ensure that people go through the proper channels, that they go through the front door to seek support from Canada with their applications and are processed accordingly, and not through the back door, which is what they are being forced to do because of the safe third country agreement.

[*Translation*]

Mr. Serge Cormier: Mr. Speaker, I will repeat what I said for the hon. member's benefit. The safe third country agreement is based on the UNHCR-accepted principle that individuals should seek asylum in the first country they arrive in.

Again, as the minister said yesterday in the House, the head of the UNHCR in Canada is on record as stating that the domestic asylum system in the United States is intact, and therefore it would be irresponsible, he did say irresponsible, to withdraw from the safe third country agreement.

The safe third country agreement remains an important tool for Canada and the U.S. to work together on handling of refugee claims made in our countries.

The Government of Canada will continue to provide protection to those in need, as it has always done.

The Assistant Deputy Speaker (Mr. Anthony Rota): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:43 p.m.)

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