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(HANSARD)

Thursday, February 8, 2018

Speaker: The Honourable Geoff Regan

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HOUSE OF COMMONS

Thursday, February 8, 2018

The House met at 10 a.m.

[*English*]

Prayer

ROUTINE PROCEEDINGS

● (1000)

[*English*]

IMPACT ASSESSMENT ACT

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.) moved for leave to introduce Bill C-69, An Act to enact the Impact Assessment Act and the Canadian Energy Regulator Act, to amend the Navigation Protection Act and to make consequential amendments to other Acts.

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

* * *

[*Translation*]

BUSINESS OF SUPPLY

Ms. Marjolaine Boutin-Sweet (Hochelaga, NDP): Mr. Speaker, there have been discussions among the parties, and if you were to seek it, I think you would find that there is consent for the following motion:

That, at the conclusion of today's debate on the opposition motion in the name of the member for New Westminster—Burnaby, all questions necessary to dispose of the motion be deemed put and a recorded division deemed requested and deferred to Tuesday, February 13, 2018, at the expiry of the time provided for oral questions.

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

Some hon. members: Agreed.

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

Some hon. members: Agreed.

(Motion agreed to)

PETITIONS

ALGOMA PASSENGER TRAIN

Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskaing, NDP): Mr. Speaker, I have another in a long line of petitions that support the Algoma passenger train. It is signed by people from Wawa, Algoma Mills, Val Caron, Carp River, Batchawana Bay, Toronto, Goulais River, Elmira, and Sault Ste. Marie.

The petitioners remind the government that the Algoma passenger train has not been operating for almost three years, which has resulted in substantial hardships for the area's residents, businesses, and communities. They feel that the economy in the Algoma district cannot afford the loss of train-related employment, its economic impact, and the safe, reliable access to the Algoma wilderness. They also indicate that the loss is felt most of all by the area's small businesses. That is why they are asking the Minister of Transport to put the Algoma passenger train back in service.

● (1005)

VISITOR VISAS

Mr. Kevin Lamoureux (Winnipeg North, Lib.): Mr. Speaker, it is my pleasure to present a petition from residents of Winnipeg North dealing with the importance of the visitor super visa. For people from countries like India, the Philippines, and many others, it is of critical importance because it allows individuals to come to Canada for up to two years, go back home, and then return to Canada for another two years. The concern is that many of them are not being allowed to renew their visas for the additional two years after their initial visit.

[*Translation*]

NAVIGATION ON THE RICHELIEU

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, today I am presenting petition e-1209, which was signed electronically by 510 people and on paper by 100 people. The petitioners are calling on the federal government to establish regulations governing navigation on the Richelieu River because there are currently no regulations in place. That means kayakers and speed boaters are using the same space and have to cohabit, which is not always easy. There are safety and environmental concerns. Riverbank erosion and conflict among residents are some of the issues prompting locals to take action. We are hoping for a positive response from the Minister of Transport.

Business of Supply

[English]

AGRICULTURE

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, it is an honour to rise to present a petition from constituents in Saanich—Gulf Islands. They are concerned about the trend of the gathering power of multinational seed companies to control, with patent protection, the use of seeds around the world. They ask that the Government of Canada support international aid policies that support family farmers, particularly women, and that Canadian aid policies and programs focus on consulting with small family farmers and protect their traditional right to use, preserve, and freely exchange seeds.

[Translation]

FOOD LABELLING

Mr. François Choquette (Drummond, NDP): Mr. Speaker, it is an honour for me to present dozens of petitions once again on behalf of Canadians who are calling for mandatory labelling of GM foods. They point out that in early August 2017 nearly five tonnes of genetically modified salmon was sold in Canada, that that salmon made its way onto our dinner plates without us knowing it, and that Canadians are concerned about the lack of information about where that genetically modified salmon was sold. That is why the petitioners are calling on the Government of Canada to ban the sale and breeding of genetically modified salmon in Canada until labelling standards to warn consumers are put in place.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Does the House agree?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAX FAIRNESS IN BUDGET 2018

Mr. Peter Julian (New Westminster—Burnaby, NDP) moved:

That the House recall its resolution adopted March 8, 2017, which asked the government to keep its promise to cap the stock option deduction loophole and to take aggressive action to combat tax havens, and that the House call on the government to respect that vote by ensuring that both measures are included in Budget 2018.

He said: Mr. Speaker, as you know, we on this side of the House will never back down and never stop working hard to create a fair tax system. We think this is far too important to the Canadians who may be listening to us today. We need to put an end to the existing system.

[English]

We are giving the Liberals a second chance. On March 8, 2017, we presented a motion in the House of Commons, presented by my colleague from Rosemont—La Petite-Patrie and seconded by the member for Sherbrooke, to work to crack down on the incredibly abusive use of the stock option deduction loophole and to take aggressive action against tax havens. The NDP motion passed overwhelmingly.

Since then, we have actually seen the government backtrack. We are giving the Liberals a second chance today, and over the next few days, if they vote for our motion next Tuesday. What we are saying, and what over 90% of Canadians are calling for, is that in budget 2018, which is coming down in the next few weeks, the government crackdown on the use of the stock option deduction loophole and take aggressive action against tax havens. That is what we believe needs to happen.

Why is that? We believe very strongly that we are seeing unprecedented inequality in this country. We see it every day. Certainly the statistics are very clear about this as well. We have learned, just in the last few months, that two wealthy Canadians, David Thomson and Galen Weston Sr., now have the same level of wealth as 30% of all Canadians. Thirty per cent of all Canadians put together have the same wealth as two Canadian men.

A great deal of why we are seeing that massive increase in inequality is due to the fact that we have an income tax system that is stacked against regular Canadians. Just last month, we saw figures showing that the average income of Canada's wealthiest CEOs is 200 times that of the average Canadian worker. There is no doubt that we are seeing a massive increase in inequality under this government. We are seeing more and more wealth concentrated in fewer and fewer hands.

Regular Canadians are seeing record family debt loads. The figures from Statistics Canada do not lie. Consumer credit, excluding mortgages, has now reached the level of \$0.6 trillion. That is \$600 billion that Canadian families owe. The average Canadian family now has a record debt load, even worse than under the former Harper government, and we are seeing this debt load increase. We are now number one among the industrialized countries. That is a crushing level of family debt.

What measures has the government put in place to address the income tax inequality, the stock option deduction loophole, and tax havens? Since we adopted the motion on March 8, we have not seen much action at all.

When we talk about the stock option deduction loophole, we are not talking about something that is spread out among Canadians generally. I am going to refer to the *Toronto Star* of January 6, 2018. The editorial, talking about the issue of tax fairness, says that the widening wage gap we are seeing in this country, with CEOs earning 200 times the income of the average Canadian worker, requires that we move forward promptly with tax fairness. It has identified the stock option loophole as well.

I will quote from the article:

Currently, compensation received in the form of stock options is taxed at a much lower rate than regular income. The tax break was conceived, in part, to help capital-starved startups attract top talent, but has been co-opted by executives at established companies as a way to reduce their tax load. Until recently, Ottawa lost about \$1 billion every year through the loophole, more than 90 per cent of which went to the top 1 per cent of earners.

•(1010)

They cite that in 2013, for example, 75 of Canada's 100 top-paid CEOs received part of their income as stock options. This allowed them to accrue combined savings of \$495 million, or \$6.6 million each. That is half a billion dollars of foregone revenue to subsidize 75 very rich people, half a billion dollars of government funding that provides support for 75 of Canada's richest people. We can do better. We can take those funds and make sure that those very wealthy people pay their fair share of income tax and ensure that we are taking care of regular Canadians. That is what we propose.

When we talk about the stock option being concentrated, half a billion dollars going to subsidize 75 very rich people, we can see the harm in taking that out of the income tax system to give to the very wealthy. It has a profound impact on Canadians.

However, that is not all, and CCPA has outlined this in very effective terms. When we see what has happened with the corporate income taxes, we also see that corporate income taxes are decreasing as a percentage of what is paid compared with regular Canadians but also in terms of the overall effective corporate income tax rate. The CCPA outlined in its study last year that the effective corporate income tax rate in 2017 under the current government is now much lower, 9.8% after preferential tax considerations are included. That is 9.8% in terms of what the effective corporate income tax rate is for the corporate sector.

I can assure members that people who are plumbers, construction workers, child care workers, or nurses are not paying a 9.8% effective income tax rate. Canadians like my family who pay their fair share of taxes, work hard and they want to contribute their taxes because they believe that contributes to the common good. However, that common good is being undermined by the increasing inequality that we are seeing and an income tax system that is profoundly unjust. It is not an income tax system that is fair in any way, shape, or form. It is an income tax system that increasingly takes away from those who really need the supports of that common good, those common investments that Canadians make, and instead provides those investments, as we have seen, to the tune of half a billion dollars for 75 of Canada's wealthiest CEOs.

When we passed this motion last year, we expected the government to take action. It has not. However, the Liberals now have the opportunity with our motion today to take action in the budget in 2018 and crack down on the abusive use of the stock option deduction.

We also talked in our motion last year about tax havens, which are an increasing problem in terms of money going offshore, money that should be paid as income tax in Canada. Part of the reason we are seeing such a low effective corporate income tax rate is due to the use of tax havens, money being transferred offshore to the tune of hundreds of billions of dollars.

Business of Supply

The tax havens are a growing problem, and I will explain why in just a moment, but what we are seeing through the use of the tax havens is, at a minimum, \$10 billion a year that could be used for so many other things, including affordable housing, providing medication to Canadians, or ensuring that child care is supported when we are seeing extraordinarily high costs for child care for the average Canadian family. All of those things would be taken care of if we actually ensured that the income tax system was fair. However, \$10 billion a year at a minimum, and estimates run far higher, is now escaping from the Canada Revenue Agency, which means that the common good, those investments that we make together, is simply being lost.

•(1015)

In addition, we are seeing the use of a new tax haven format, and that is the digital tax haven. Our parliamentary leader and revenue critic have been raising this issue, as have I, repeatedly in the House of Commons. In the digital field, we are now seeing big digital players like Facebook, Netflix, and Google making billions of dollars in Canada and not paying a cent of tax. It is a new format for the Liberals, a digital tax haven, which allows for tax-free profits and tax-free money. They are not even paying the GST, which is a double problem.

Not only do we have these new digital tax havens created by the Liberals, which they allow to continue, but it also means they are undermining legitimate Canadian businesses. In my community, local newspapers are struggling because they have to pay the assortment of taxes, which are part of the common good to contribute to the country, but their competitors do not. The digital tax havens have a profound negative impact on local community resources and cultural industries, yet the Liberals are doing nothing.

When we talk about aggressive action on tax havens, we are also talking about aggressive action on these digital tax havens, where tens of billions of dollars in profit are made in Canada without a cent of taxation being paid. This is something that absolutely needs to change. We can do better.

•(1020)

[*Translation*]

I mentioned tax havens a few minutes ago. I already talked about these issues in relation to digital tax havens. Since the adoption of this motion last year, we see that the Liberals have taken very aggressive action, but not against tax havens. In fact, they are promoting these tax havens and expanding them by signing one agreement after another. That is what they are doing even though 90% of Canadians are against tax havens. The Liberals are expanding them.

Last year, they ratified an agreement with the Cook Islands, which is a tax haven in the South Pacific. According to Marwah Rizqy, a professor at the Université de Sherbrooke, "it becomes another option for companies to strategically incorporate and repatriate profits tax free". André Lareau, professor of international taxation at Laval University, said about the agreement that the Liberals just signed, "It is shocking to see Canada take an approach that diminishes its taxation power". These quotes were reported by an excellent journalist, Boris Proulx, at the Journal de Montréal.

Business of Supply

The Liberals have expanded tax havens by concluding another agreement with another tax haven, which will make us lose even more of our common assets that are part of our common tax base. This will give businesses even more options.

There is more. Last week, we learned that the Liberals signed an agreement with Antigua and Barbuda, another tax haven. The agreement clearly states that, once the agreement takes effect, Canada's taxation laws will apply, which means that the active business income from a Canadian company's foreign subsidiary in Antigua and Barbuda can be paid to the Canadian parent company in the form of dividends that are exempt from Canadian taxes.

In the agreement, the bureaucrat, who apparently does not speak French, kept the mention of the Cook Islands, stating that this agreement applies to companies in the Cook Islands. It is indeed the same agreement that was signed with the Cook Islands, except the names were changed, although this was not done properly. For example, the names were changed to add Antigua and Barbuda.

Last week, the government also signed an agreement with Grenada, another well-known tax haven. It was the same type of agreement. Once again, all they did was copy and paste the agreement. The Cook Islands appear in this agreement as well.

What are the Liberals doing? They are broadening the scope of all of these tax havens.

[*English*]

We might ask what the impact of this is. Let me speak to the impact of a couple of cases I know of.

John, who lives in my riding, has paid his taxes all his life. He managed to accumulate a small pension. However, with the increasing cost of rent, and because there has been no investment by the government into affordable housing, he found it more and more difficult to pay his rent. Can members imagine the impact of realizing that we are not able to keep the apartment that we have loved for so long, after working all of our lives, after paying our taxes, and after establishing a modest pension?

He had to leave. He could not pay for his apartment, so he shared a one-bedroom apartment with a friend. He slept on the couch. That worked for a time. However, these seniors who were trying to share that cramped living space just to keep a roof over their heads were unable to. He was then found by an outreach worker sleeping on the floor of a parking lot in downtown New Westminster because of the lack of affordable housing from the government. When the government gives away tens of billions of dollars, allows tax havens to prosper, and allows 75 CEOs to get \$6 million each from a stock option deduction, that has an impact on people like John.

Let me talk about Jim. Jim is just outside the Parliament. Any MP here could go and talk to him. He is on the bridge between the Château Laurier and East Block. Every day he has to beg because there is no pharmacare and he has to pay \$600 a month for the medication that keeps him alive. I said to him this morning, "Jim, I'm going to talk about you in the House of Commons." He said, "Yes, go and fight on my behalf. We need fair taxes and a government that actually cares about us." Jim is hurt when we send tens of billions of dollars overseas and we cannot pay for a pharmacare program in this country.

• (1025)

[*Translation*]

The government has gone after persons with disabilities. It is getting rid of the tax credit for persons with disabilities and is asking them to reimburse certain amounts paid by the registered disability savings plan.

I want to talk about one more person, but I will not use her real name. I will call her Edith. Edith has cancer and has a child with a disability.

Instead of going after tax havens, the current government is asking her family to repay all this money, because it changed the eligibility criteria for the tax credit for persons with disabilities. The Liberals are not going after tax havens; they are going after persons with disabilities.

We can do better. We can create a system in which people like Edith, Jim, and John, are treated fairly, and we can create a fair tax system.

[*English*]

The final story I am going to talk about is Jagmeet Singh. He is the new leader of the NDP. He was not born with a silver spoon in his mouth. He had to work when his father fell ill and be the breadwinner for his family. He has grown up understanding that one has to work hard and contribute to one's community. That is what he has done all his life.

He has a different vision. He believes that we need to establish a fair income tax system. Like the 90% of Canadians in a most recent poll done by Canadians for Tax Fairness and Leadnow, he believes that we need to shut down these tax havens, and the digital tax havens as well. He is the kind of leader that we need in this country. He is the kind of person who understands that the Jims, Johns, and Idettes of this country should not be pushed aside but rather supported by the government.

That is really what this debate is about today. It is not about the mechanics of money around stock option deductions, tax havens, or digital tax havens. It is about how Canadians are treated, whether they are treated fairly or not. They have not been treated fairly by the government. We can do so much better. The current government could do so much better. In the budget that will be coming in a few weeks' time, it should crack down on the stock option deduction loophole, and take aggressive action against tax havens and digital tax havens. I hope it does that.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, the member said that this debate was about being fair to Canadians. The Prime Minister has been all about that. When we talk about being fair to Canadians, we can talk about the Canada child benefit program, lifting thousands of children out of poverty. We can talk about the guaranteed income supplement, lifting thousands of seniors out of poverty. We can talk about the close to \$1 billion being spent to go after and retrieve literally hundreds of millions, going into the billions, of dollars from individuals who are not paying their fair share of taxes. The NDP has voted against virtually all those measures.

Business of Supply

When the member across the way talks about that sense of fairness, that is in essence what the government strives to accomplish: to support Canada's middle class and those wanting to be a part of it, and to provide the types of programs that are necessary to those individuals who do not have the economic and financial means.

With respect to many comments raised by the member, all he needs to do is look at what the government has been providing. More and more, we see the contrast between the government and the Conservatives.

Would the member reflect on some of the voting behaviours? The NDP voted against the tax on Canada's wealthiest 1%. It voted against those social program increases that took seniors and children out of poverty. How would he respond to that vote?

•(1030)

Mr. Peter Julian: Madam Speaker, the government loves engaging in window dressing, but I would ask the member this. What is fair about providing \$10 million for affordable housing right across the country, when there are tens of thousands of Canadians sleeping out in the parks and on the main streets of our country? Right now, people like John, cannot even maintain an affordable apartment because the government has not taken any action on affordable housing.

What is fair about having boil water advisories, no safe drinking water, for hundreds of communities of first nations? How is that ever considered fair when the government does not take action on that? How can he consider it fair when people like Jim, and thousands like him, have to beg in the streets to get enough money to pay \$600 a month for medication because the government refuses to bring in pharmacare?

The government refuses to take any action against tax havens. The government refuses to take action against the stock option deduction loophole, even when it votes with the NDP in the House of Commons. What is fair about all those government actions that have been to the detriment of Canadians right across the country?

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Madam Speaker, I thank my hon. colleague for mentioning my friend Jim, who sits in front of the Chateau Laurier, along the bridge there. He is also a veteran. He is in and out of hospital a great deal. He cannot afford his drugs, if not for people stopping and giving him whatever money they have. This is a shameful situation, right on the doorstep of Parliament Hill.

I accept, and I will vote for the NDP motion today, because closing those stock option loopholes was a commitment made. It is part of the Green Party platform as well. We need to stop the use of overseas tax havens, such as were revealed in the paradise papers, and stock option loopholes, which exist legally in our country.

I appreciate my hon. colleague from New Westminster raising the issue of pharmacare. At this point, the current government has not pledged pharmacare. The mandate letter to the minister of health did say that the minister of health should try to find ways for bulk buying of drugs to reduce the cost. I would like my hon. colleague to reflect on the ways we could save Canadians billions of dollars by moving to national pharmacare.

Mr. Peter Julian: Madam Speaker, I, my hon. colleague and a number of other members of Parliament help to contribute to Jim.

It is appalling to me, and I know it is appalling to her, that we have a person who has worked all his life, who is a veteran, and who is there every day having to beg to get the money to get through the month, to get the medication he needs, yet Liberals walking past him are not willing to come into the House and tell the government to bring in pharmacare now. What is wrong with that picture? Those members of Parliament walk past Jim every day. Have they spoken to him? Do they understand the impact of what Jim and so many other Canadians and Canadian families like him are going through? I just cannot contemplate an MP who can walk past him and not want to take action.

The reality is that Canadians would save \$4 billion a year if the government brought in pharmacare, \$4 billion that are currently paid in private plans and Canadians have to pay out of pocket, Canadians like Jim. There is no reason not to bring in pharmacare, but the Liberals seem to be absolutely resistant to do something that is in the public interest. However, they are willing to give tens of billions of dollars away, sign tax haven treaty after tax haven treaty, and allow the digital tax havens to exist. Shame on them.

•(1035)

[*Translation*]

Mr. François Choquette (Drummond, NDP): Madam Speaker, I thank my honourable colleague for his excellent speech. Not only is he doing an excellent job of combatting tax havens and fighting for tax fairness, but he has also been an advocate for people with disabilities throughout his career. He has come to Drummond several times to explain the disability tax credit.

Today, he has again shown me that, unfortunately, the Liberal government goes after these people instead of addressing the real problems, namely tax havens and the people who actually abuse the system. Even in my riding of Drummond, people are talking about how important this credit is. It is shocking that the government is asking them to pay back this money and is attacking these citizens in need.

I recently held a short meeting in my riding to talk about tax havens, and about fifty people showed up. They asked that the Liberal government take concrete action. Tax havens cost Canadians a minimum of \$8 billion in taxes every year. We could use this money to renovate the Centre Marcel Dionne in Drummond or invest in a sports complex such as a soccer centre. Just yesterday, representatives of a dozen community organizations came to my office to talk about their chronic underfunding. We could make investments that would help these organizations.

Why does my hon. colleague think the Liberal government is refusing to crack down on tax havens and, even worse, is signing agreements this year again?

Business of Supply

Mr. Peter Julian: Madam Speaker, I would like to thank my colleague from Drummond. I have visited his riding a number of times and I can say that very few members do as much work in their ridings as he does. He works non-stop to help his constituents, and that is why they appreciate him so much. He has also worked with people with disabilities, so he understands.

When we hold town halls in Drummond, sometimes 200 people show up. Some of them are people with disabilities and their families, who need the few programs that are out there to help them. In my riding, I have been meeting with more and more people with disabilities and their families since the Minister of National Revenue decided to go after people with disabilities instead of tax havens. It is shameful that this minister and this government are asking people to pay back the \$20,000 they were able to save over the years because the government changed the criteria for the disability tax credit.

Every time we ask the minister about this, she claims that no changes have been made, but we know that that is not true. We know from talking to our constituents that major changes have been made and they are harmful to these people. The government is requiring people with disabilities, the most vulnerable people, to pay money back while large corporations, that is, the 75 millionaires to whom the Liberals are eager to give half a billion dollars in tax breaks, are not required to pay their fair share of taxes. That is shameful, and something has to be done about it. In 2019, we will have the opportunity to change things.

[*English*]

Mr. Joël Lightbound (Parliamentary Secretary to the Minister of Finance, Lib.): Madam Speaker, I want to congratulate my colleague, the member for New Westminster—Burnaby, on his new role as finance critic. I also want to thank him, because today is my birthday and, with his opposition day motion, he has allowed to rise in the House to talk about tax fairness, which is very important.

[*Translation*]

Today I want to talk about tax fairness. That is what the motion is about, and I think it is important. When our government came to power over two years ago, we committed to investing in growth and ensuring fairness for all taxpayers.

Before I get into what we have done to improve tax fairness in Canada, I would like to take a few moments to remind hon. members about the progress we have made so far.

From day one, our government implemented a plan to ensure economic growth, strengthen the middle class, and support social mobility so everyone in Canada can keep moving up in society. We did so by investing in our communities and introducing distinctly progressive measures.

I am proud to say that the investments we made are now paying off. We are seeing definite signs that our plan to boost Canadians' confidence in the future is working. We want them to feel and be better prepared for the future.

With growth averaging 3.2% since mid-2016, Canada's economy is soaring. Our economic growth is stronger than that of any other G7 country. Over the past two years, nearly 700,000 jobs have been created and the youth unemployment rate is near its lowest level

ever. The unemployment rate is now at 5.7%, its lowest level in 40 years.

With respect to debt, it is important to remember that the federal debt-to-GDP ratio is shrinking steadily. Canada's balance sheet is the best in the G7. Our government is also working hard to ensure that Canadians have access to opportunities to succeed and that the growth we have seen in recent years benefits as many people as possible.

I would remind hon. members that one of the first things that our government did was lower taxes for nearly nine million Canadians and increase them for the wealthiest 1%. We then put in place a more streamlined, more generous, and better targeted benefit to support families who need it the most in Canada. We did that by replacing the previous child benefit system with the Canada child benefit in our first budget in 2016. In the first year after the child benefit was rolled out, more than 3.3 million families received more than \$23 billion. This new benefit helped improve the lives of nine out of 10 families. In the first year of the program, families received on average \$2,300 more in benefits for children. It is important to remember that these benefits are non-taxable.

I am proud to say that the Canada child benefit helped lift 300,000 children out of poverty. By the end of 2017, child poverty had been reduced by 40% from its 2013 rate. It should be noted that the Canada child benefit is especially helpful for single-parent families, which are usually headed by a single mother who tends to earn a lower income. Those single mothers are getting the most out of this benefit, which is better targeted and more progressive. I grew up in a single-parent family. According to my calculations, this benefit would have given my mother an extra \$1,000 or so a month, tax-free, to raise me and brother. That would have made all the difference to us at the time, just as it is doing today in the lives of thousands of families across the country.

Last fall, when Canada's economic growth was exceeding expectations, thanks in part to the positive impact of the Canada child benefit, we announced that we would continue with the Canada child benefit and build on it in budget 2016 in order to enhance consumers' trust and increase consumer spending. We announced that we would do more and that we would start indexing the benefit to inflation as of July 2018, two years sooner than planned. That means that our government is offering better support more quickly to ensure that the Canada child benefit continues to play a key role in helping families and stimulating our economy. Moving up the date for indexing means that Canadian families will receive \$5.6 billion more in benefits from 2018-19 to 2022-23.

Business of Supply

•(1040)

[English]

This past fall, the government also announced its intention to further enhance the working income tax benefit, or WITB. This is a refundable tax credit that provides important income support and helps offset taxes, supplementing the earnings of low-income earners. It lets low-income workers keep more of their paycheque, encouraging people into the workforce, which has a long-term impact on income security and quality of life. In 2016, the WITB provided more than \$1.1 billion in benefits to over 1.4 million Canadians.

To provide even more support and opportunity for lower-income workers, our government proposes to further enhance the WITB by an additional \$500 million annually, starting in 2019. This new enhancement will provide even greater support to current recipients by raising maximum benefit levels and will expand the income range of the WITB so more workers can qualify.

Together with the increase of about \$250 million annually already set to come into effect in 2019 as part of the enhancement of the CPP, these two actions will boost the total amount the government spends on WITB by about 65% in 2019.

•(1045)

[Translation]

Our government also plans to provide additional support for Canada's SMEs by lowering their federal tax rate.

The small business tax rate will drop to 10% as of January 1, 2018, and to 9% as of January 1, 2019. For the average small business, that means a savings of \$1,600 that entrepreneurs and innovators can reinvest in their company and in job creation.

Under this measure, the combined federal, provincial, and territorial tax rate for small businesses will drop from 14.4% to 12.9%, the lowest by far in the G7 and the fourth lowest among OECD countries.

The purpose of these low tax rates is to encourage capital investment in companies, including investments to acquire equipment or more efficient technology, or to hire additional staff, which will make businesses more productive and competitive and enable them to contribute to Canada's economic growth.

This tax cut for small businesses was accompanied by measures to ensure that the benefits of the lower tax rate are shared equitably and that the changes support business owners who invest in their companies, create jobs, and help grow the economy.

[English]

For example, in December we issued detailed proposals to simplify and improve the treatment of income sprinkling, which are proposed to be in effect for the 2018 tax year and beyond. The December proposals took into account feedback received from Canadians in the course of the government's consultations on tax planning using private corporations.

As hon. members are aware, income sprinkling involves diverting income from a high-income individual to family members who have lower personal tax rates or who may not be taxable at all. This is not

a problem if the family members are making a meaningful contribution to the business. However, in some circumstances, someone earning \$300,000, with a spouse and two adult children who do not work in the business, could use a private corporation to get tax savings that amount to roughly what the average Canadian earns in a year, about \$48,000. If they are not contributing to the business, this is fundamentally unfair to other Canadians, and the government's proposal to address this practice draws a clear distinction between the two.

To assist businesses in complying with the new measures, the CRA has released detailed guidance on its website that explains how it intends to administer them and what they will mean for taxpayers. I would like to assure the House that the CRA will administer any rules that are ultimately enacted in a way that is fair and that recognizes the reality of operating a small business.

It is also important to note that the vast majority of private corporations will not be impacted by the income-sprinkling measures. Based on the revised proposals, fewer than 45,000 family-owned private businesses benefit annually from income sprinkling. Just to put this in perspective, this represents only about 3% of Canadian-controlled private corporations.

[Translation]

This initiative is consistent with our goal and our desire to achieve greater tax fairness in Canada. We know that we must do more to ensure that as many people as possible benefit from a growing and more innovating economy, which creates more opportunities for success for everyone.

A fair tax system allows the government to keep corporate tax rates low and to help support families through such programs as the Canada child benefit, which I spoke about, or the working income tax benefit.

Addressing the unfair aspects of the tax system is central to our plan for sustainable, long-term growth and also fulfils the basic promise made to middle-class Canadians. Tax fairness is a complex goal that requires sustained efforts on many fronts.

Internationally, Canada is working closely with the other members of the G20 and the OECD to make recommendations in order to address what is termed "base erosion and profit shifting". This expression refers to international tax planning strategies used by multinational companies to minimize tax payments. For example, some companies will carry out transactions for the sole purpose of transferring their taxable profit outside the jurisdiction where the underlying economic activity took place to another jurisdiction with a lower tax rate in order to avoid paying their fair share of taxes.

Business of Supply

Our government is also redoubling its efforts to combat international tax evasion by improving the exchange of information between tax administrations. Under the common reporting standard developed by the OECD, the automatic exchange of financial account information held by non-residents is an important tool that promotes compliance with the rules, combats international tax evasion, and ensures that taxpayers report their income from all sources. To date, more than 100 administrations have committed to implementing the new standard.

These measures represent real progress, but our government will continue to identify and combat tax evasion and aggressive tax avoidance to ensure that the system is working as effectively and equitably as possible.

As we continue to implement this plan, making strategic investments and promoting greater social justice, we will continue making our tax system one that is as fair and as equitable as possible for all Canadians.

I think it is always useful and important to remember the potential cost of failing to take action to make our system fairer. An unfair tax system undermines public confidence. We need to have rules that are fair for everyone. The government must take steps to ensure that tax rules apply in a way that is equitable and in line with their original intent. For that reason, as our government lowers the small business tax rate to 9% by 2019, we must also ensure that this tax cut helps small businesses invest in their operations, create more jobs, and grow our economy. It is not meant to give the wealthy another tax advantage that is out of reach for most Canadians. As the economy continues to grow, everyone must pay their fair share and everyone should benefit from this growth.

• (1050)

[English]

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I wish my friend salutations on this day as well.

It is a remarkable thing the NDP have had to do, because what we are doing today is reminding the Liberals about what they voted for already and what they already said they would fix. The Liberals have a bit of a political attention deficit. They make a promise in a campaign. They make it in a second campaign. They make the promise again in the House of Commons when voting for an NDP opposition day motion to talk about closing a very specific loophole. It is a loophole that costs Revenue Canada \$750 million per year, on average. It is the stock option loophole, a technique that was designed in our tax system primarily for entrepreneurs and start-ups.

However, for the top CEOs in Canada, a quarter of their pay is in stock options. We know that 92% of all those new stock options used to avoid paying taxes goes to the top 10% of Canadian income earners. That is what they are now used for. They are not for the scrappy start-ups, although they use them in a different way, and the NDP carved out a special consideration for them.

The Liberals promised to close this loophole. We saw a budget come and go, and the loophole was not closed. The problem is that when they take away the \$750 million in revenue, there are a whole bunch of things the government can no longer do.

I would like to pause for a moment on the government's so-called tax cut for the middle class. Do my Liberal colleagues know where that tops out? It is for those earning about \$190,000. That is where the middle-class tax cut does the best.

My simple question is this. The Liberals promised to close this loophole. They have not done it. The budget is coming. Can we at least expect that promise to be fulfilled after they commit to it a second time?

[Translation]

Mr. Joël Lightbound: Madam Speaker, since we came to power, our government has been focused on improving tax fairness.

To that end, we took some of the steps the member spoke about. For example, there are the tax cuts for the middle class, along with a 1% tax increase on the wealthy. Furthermore, we overhauled the Canada child benefit to make it more progressive. Members will recall that under the former system, cheques were sent to families regardless of income, regardless of whether the families were millionaires. The Canada child benefit was not very progressive and it was also taxable in many cases. These are two examples in which our government tried to make our tax system fairer. It was a tremendous success considering that the Canada child benefit lifted 300,000 children out of poverty, as I mentioned.

Our government did not stop there, however. There is also the increase to TFSA contributions that the Conservatives brought in. The contribution limit essentially doubled, going from \$5,500 to \$11,000 per year. The American inventor of the concept had said that this would ultimately put the government in a fiscal straitjacket, and that this would prevent the government from carrying out its primary responsibility of providing services to Canadians. Members will recall that the Conservative finance minister at the time, Joe Oliver, said that it was a problem for Stephen Harper's granddaughter to solve. This is one of the measures we reversed, just now giving the government the means to fulfill its ambitions.

There is also income splitting for families. The parliamentary budget officer said at the time that this would benefit the top 10%. We reversed that.

We went ahead with our proposal for greater tax fairness involving income sprinkling and passive investments. Right from the beginning, the NDP has been a bit on the fence about that. It has not come out strongly in favour of our proposal.

It is quite ironic to hear my colleague say that we are not doing enough about tax fairness when they ran on all sorts of wonderful progressive ideas based on a Stephen Harper austerity budget. It is quite ironic.

• (1055)

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would like to remind members to ensure that their questions and comments are one minute or less, so that other members have the opportunity to ask questions.

Business of Supply

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Madam Speaker, I would like to take this opportunity to wish my colleague opposite a happy birthday. That is the only nice thing I will be saying about him today.

He likes to cloak himself in the Liberal government's good intentions. However, he forgets that the Prime Minister was found guilty of four ethics violations. All we are asking is for the Prime Minister to pay back the \$200,000. That would help a lot of families put food on the table.

Mr. Joël Lightbound: Madam Speaker, I will start by thanking my Quebec City colleague for her kind wishes. It is a pleasure working with her in the House.

I believe that I just did so, but I will say again that for 10 years, the previous government focused on giving tax breaks to the wealthy. The Canada child benefit was much less generous or progressive.

The fact is that we have made tremendous progress in two years. We put measures in place and brought forward proposals for tax fairness to make our system fairer. Whether it is housing, the Canada child benefit or the working income tax benefit, we are bringing in initiatives to ensure that Canada is a more just society where everyone has an opportunity to reach their full potential. I think that this is something we can be proud of.

[*English*]

Mr. Ken McDonald (Avalon, Lib.): Madam Speaker, I will start by wishing my colleague a happy birthday. I think I heard his age, but I am not going to let on what it is. I will leave everyone guessing.

The member mentioned the \$1 billion in the budget to help catch tax evaders and people who use the system to their benefit more than they should. I wonder if the member could expound on that for a minute or so.

Mr. Joël Lightbound: Madam Speaker, it is true that this government, in the last two budgets, invested more than any other government, close to \$1 billion, to give CRA the resources to go after tax avoidance and tax evasion in a more meaningful way to make sure that there is more fairness in our system. That speaks volumes when we compare the actions of this government with those of the previous government. Just this summer, a former Conservative revenue minister, Mr. Blackburn, said quite frankly, and I would say shamelessly, that this was not even on the agenda of the previous government. It was not a priority. It was not on the radar of the previous government to go after tax avoidance and tax evasion.

When we compare its record to the close to \$1 billion we have invested to give the resources to CRA to go after those who engage in tax evasion and tax avoidance, it goes to show the ambition of this government to make sure that everyone in this country pays their fair share and that we have a system that is more just so that everyone has a fair shot at success.

[*Translation*]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Madam Speaker, of course I wish to join everyone in wishing my colleague a happy birthday.

In my constituency office, I get emails, letters and calls. Every time I attend an event, there is sure to be someone who tells me that

they are deeply offended about the use of tax havens in Canada. They are offended that last year the Liberal government signed new agreements with other tax havens, such as the Cook Islands, Antigua and Barbuda, and Grenada.

I cannot imagine that my colleague does not also meet constituents in his riding who are offended by these tax havens. Working people fill out their tax returns and pay their taxes, while Canada's wealthiest pay tax experts to find ways to put their money in tax havens in order to avoid paying tax.

• (1100)

Mr. Joël Lightbound: Madam Speaker, I appreciate my colleague's birthday wishes.

I would like to reassure her that fighting tax evasion and tax avoidance is one of our government's priorities. That is why we have invested close to \$1 billion. When my constituents talk to me about this, I point out that, unlike the previous government, we are investing the resources needed to fight these aggressive tax practices.

I also meet a lot of people who talk about what a big difference the Canada child benefit has made in their lives. I hear from St. Vincent de Paul volunteers that fewer people have been using their services since we introduced the benefit, which is more generous and more progressive. People have also asked me why the NDP voted against that measure.

[*English*]

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Madam Speaker, it is a pleasure for me to rise and speak to this motion. I want to congratulate the previous speaker, the parliamentary secretary, I understand it is his birthday. It must be nice to finally be able to have a drink in the province of Ontario. That is good news for him, but perhaps not as good news for his constituents.

We have a motion today brought to us by the NDP which asks the government to follow through on one of its commitments with respect to stock option deductions and tax havens. There may be aspects of the motion that one could sympathize with. Ultimately, we know that the NDP as well as the Liberals are eager to raise taxes at every opportunity. Conservatives are not supportive of the motion, but certainly we are sympathetic with the fact that the NDP thinks that the government should keep its promises.

In principle, the government made many different kinds of promises to people with different kinds of philosophies trying to basically promise everything to everyone. Of course, that is a little harder to do when the party is in government. I am going to talk today about how the government is increasing taxes across the board. I am going to counter some of the arguments made by the parliamentary secretary and I am sure he will enjoy hearing them. Then I am going to talk about the broken promises.

Business of Supply

With respect to the issue of taxes, the parliamentary secretary painted a picture for us of the alleged progressivity of the government when it comes to tax policy, allegedly how the Liberals want to help people with lower incomes by lowering their taxes while increasing taxes for the wealthy.

The facts paint a very different picture. Frankly, this narrative created by the government is total malarkey. I should not say malarkey; it is “people-larkey”. It is total nonsense in any event. The Liberals say they are interested in lowering taxes for lower-income Canadians, but let us point out the reality.

Conservatives lowered the lowest marginal tax rate when they were in government. The Liberals have not touched the lowest marginal tax rate. If people are making \$45,000 a year or less, they are indisputably paying more tax under the current government. The Liberals only went for the middle rate, not the lowest rate. It was Conservatives who lowered the lowest rate.

The Liberals also reduced the amount of money a person can put toward a tax-free savings account. This is important because tax-free savings accounts are the preferred savings vehicle of relatively lower-income Canadians. Why is that? I talked about it in previous speeches. When Canadians are looking at saving their money, they look at the relative advantages of various savings vehicles that exist. They look at something like an RRSP or a TFSA, and they assess the merits of them. We see clearly from the data that there are certain financial incentives associated for people with modest incomes making greater investments in TFSAs. Again, an advisable investment decision will vary depending on the individual, depending on the situation, but in particular, the government's ideological opposition to TFSAs and its desire to reduce the amount an individual can contribute to it has a disproportionate impact on Canadians who are in that middle- and lower-income level.

Again, in terms of what the Liberals have done with respect to tax rates, as well as what they have done with TFSAs, again it is a tax agenda that is very bad for, to use their verbiage, the middle class and those working hard to join it. Part of the problem is that they still never told us what in their minds it means to be middle class. They say that they are trying to help this group of people and yet they cannot even provide us with a definition of who qualifies as being in the particular group they are trying to address. That may lead to some of this confusion where again they are undertaking tax policies which very clearly do not appear to actually impact those who they claim they are going to impact.

Very often we see with the Liberals that the policies they undertake hurt those they are supposed to help. While the Prime Minister is off taking an illegal vacation, the Liberals are raising taxes on those who will actually have to pay for that illegal vacation through things like security costs.

• (1105)

Of course, who could forget the carbon tax? When it comes to the government's interest in raising taxes, this is of particular concern in my province of Alberta, but it is a concern across the country. The government is trying to force provinces to introduce a new tax. It is threatening them with punitive taxation if they do not follow along with the federal directive, even if it is an area that is clearly within provincial jurisdiction.

One of many problems with the carbon tax is that there are many Canadians who need to use fuel, who need to use energy in some way and simply cannot eliminate these costs. In Sherwood Park—Fort Saskatchewan, on a typical day in the winter it is -40°C. It is a great place to visit but it gets cold. People who live there cannot just decide they do not want to heat their home because of the carbon tax. That is not a realistic choice a person could make.

Some might say that the tax burden could be reduced through retrofitting and things like that, but people with a modest income may not have the capacity up front to do that retrofitting. One of the things we did when the Conservatives were in government was we brought in a home renovation tax credit to actually make it easier for people to make those investments in retrofitting. That was not a punitive approach; that was an approach that helped people have the resources to make the kinds of improvements they want.

The Liberal government's approach is always to punish people through taxation to try to get them to behave in what the Liberals imagine to be a socially desirable way. However, the Conservatives' approach was to provide support and tax credits so that people could make those kinds of decisions on things like doing home retrofits.

It could be said that from an environmental perspective, instead of driving, people should aim to take public transit. However, for many families, some with a large number of children, it is not nearly as practical or as easy to go pick up groceries or something like that. Even if they are paying this punitive carbon tax, there are simple realities of family life especially in a cold climate. The carbon tax for many Canadians is not helping them to reduce emissions; it is simply a punitive tax. They now have to pay more money to the government which makes their situation more difficult.

There are many different examples, such as the elimination of tax credits around public transit and other areas, that have simply made life so much more expensive for families. There have been independent assessments of this that show that Canadians at all levels are paying more tax under the government.

My friend the parliamentary secretary referenced this whole issue of the impact of the child benefit. This is another Liberal talking point about Conservatives sending cheques to millionaires. Let us be very clear. The Conservatives had a taxable benefit. Anyone would tell us that relatively speaking, taxable benefits, at least with all things being equal, are more progressive because we have a progressive tax system. Yes, people who have a child will get a child benefit regardless of their income, but it is taxable, and it is taxable on the income of the spouse who earns the lowest income.

The Liberals' approach to this through the tax changes they have made is that they are not going to give cheques to people who are in the very wealthy category, but at the same time, the Liberals are lowering their taxes by lowering the middle marginal rate, providing no benefit to people who are at the bottom. The effects of the change to the middle rate relative to the impact on removing the UCCB for a person at the top end is, at best, a wash.

Business of Supply

The Liberal government's arguments around progressivity clearly do not fit. Again, the Liberals are hurting the people they claim they intend to help with their tax policy. When we have motions or proposals for increased taxes, again, generally speaking, we see who pays this.

When the government initially reneged on its promise to lower the small business tax rate, and that is one of the only promises that it unbroke its breaking of, it trumpeted that unbreaking as if it was a brand new commitment. However, when it first broke that promise, the point was made that when taxes are increased on small businesses, it does not just affect the business owners, but it also affects the people who work for that company. It makes it harder for small businesses to expand, to hire new people.

Many Canadians work in the small business sector. The government's targeting of tax increases to these businesses, as well as the regulatory changes that it proposed, some of which it is following through on, very clearly hurts the people the Liberals claim they are trying to help.

• (1110)

By contrast, what was the approach of the previous Conservative government? The government claims now that the previous government was lowering taxes on the wealthy. I defy the Liberals to give us one example of a tax change that was made that particularly affected the wealthy.

What taxes did we increase? We lowered the lowest marginal tax rate, we lowered the GST, we lowered business taxes, and we provided tax credits and we provided a universal child care benefit. Of course, when we lower the lowest marginal rate that provides some reduction to someone who is at the high end because everybody pays that lowest marginal rate. However, lowering the lowest marginal rate disproportionately provides an advantage to those who are of more modest means.

Of course, GST is the one tax that everybody pays and we lowered the GST from 7% to 6% to 5%. It is pretty well established that when we lower business taxes that does not just help businesses, that helps union pension funds that invest in business, and that helps workers and helps consumers, but at no point did the Conservatives propose or implement a reduction in the top or even the middle marginal tax rate. We lowered the lowest marginal tax rate, we introduced tax credits, and we lowered the GST.

If the government members think that is not true, I invite them, in questions and comments, to point out the case where we did that. That is either malarkey or "people-larkey", depending on how progressively one uses the language.

I want to get on to talking about another important issue that is raised by the motion, which is how the government shamelessly breaks all kinds of different promises. Clearly there is far too much on this front to go into all at once. It is interesting that the NDP motion points out that the government voted for a resolution. As it happens, we voted against that resolution at the time. We have been clear and consistent in terms of our position when it comes to increasing taxes, but the government voted for this particular resolution and then it did not actually move forward to implement it.

This is again an example of the government wanting to send a signal but to do so in a very disingenuous way.

Certainly, there are parties in the House that take strong convictions on issues and they may be different from each other but often what we see from the Liberal government is simply wanting to send good-feeling signals to all different kinds of sectors without ever actually taking some action.

Since we are talking about taxes and the fiscal area, the first broken promise we should highlight is the fact that the Liberals promised three \$10 billion deficits and then a balanced budget in the fourth year. My friend from the NDP talked about the government having attention deficit when it comes to implementing its promises. That is not the only deficit problem the Liberals have but it is one of them.

During the election, we were very clear that we were skeptical as to whether the Liberals would actually follow through with this, yet they opened the door to deficits and said that they were not going to say no to any spending proposals, except to veterans. The Liberals seem to have the attitude that, with the exception of veterans, they will not say no to anybody, and they are spending all sorts of new money. We are way over that \$10 billion target and we are way over that target of balancing the budget within three years. The government now has absolutely no plan to get back to a balanced budget, not in the short term, not in the medium term, and not in the long term.

Of course, there are some people who argue that there is logic to deficit spending in certain situations. Certainly in a time of financial crisis there is good logic in running a deficit and then balancing that out with surplus during good times, but it has to be balanced out at some point. When there is a long-term permanent plan to always run deficits, I am not sure of any economic theory that supports the idea that they can just spend more than they take in, in perpetuity.

The Liberals have all kinds of defences and justifications for this. At the end of the day, it is very clear that they have broken a promise. It also needs to be underlined that although Canada has relatively low federal debt to GDP compared with other countries, our total government debt to GDP is comparable to many other countries. Here in the province of Ontario, this is the most indebted sub-sovereign borrower in North America and perhaps on the planet. We have provincial governments that deliver a lot of services compared with what sub-national jurisdictions deliver in other countries around the world and in some cases they are taking on a great deal of debt.

• (1115)

Since the election of the NDP in my province, we have had the introduction of new taxes, such as a carbon tax, but we also went from a time where Alberta had paid off all of its debt to a situation where we are again dealing with big problems with respect to deficit and debt. It is unfortunate when this happens because it is governments forcing the next generation to pay for the services and the spending of the present, plus the extra costs associated with it.

Business of Supply

The current government went to Canadians with a proposal for a deficit of \$10 billion over three years and then a balanced budget. Canadians do not have an opportunity to pronounce on individual promises; rather, they take platforms and programs as a whole. However, about 39% of them voted for a government that said it would run a \$10 billion deficit. The government has completely broken that promise and I think many Canadians are concerned about it.

Speaking of the percentage of Canadians who voted for the current government, another promise that it made during the election that it has now reneged on was with respect to changing the electoral system. We have had a great deal of debate in the House about that issue. However, the way in which the government broke its promise was quite disingenuous. There was a committee process that heard from Canadians, that did a lot of good work and put a lot of time in. In the end, most of the parties represented in that committee agreed to a basic framework. They did not necessarily agree on the desired outcome, but they did agree to a basic framework, which was that there should be a referendum of all Canadians that would give them a choice between the status quo and a system that had some greater degree of proportionality. That was what came out of that committee report.

However, the government did not like that because through this electoral reform discussion it was quite clear that it wanted to move to a system that was actually less proportional and that was uniquely advantageous to the government. Therefore, immediately after this, it undertook this new and ridiculous other form of consultation, which did not actually ask people for their opinions but asked the sort of touchy-feely questions that were notionally related to electoral reform. My colleague from Lanark—Frontenac—Kingston said it best. He said that this was, “like being on a dating website designed by Fidel Castro.” It asked all kinds of emotive questions without actually asking for opinions, and regardless of what one put in, it always came to the same conclusions. This very compromised process was the government’s justification for tearing up its commitment with respect to this electoral change entirely.

I have written a whole list on this sheet of paper of broken promises to talk about. I have only talked about two of them, and I do not know how much time exactly I have left. Let us see how many more I can get through.

The government had promised to show greater respect for Parliament. What have we seen by contrast? We have before us today a motion that is the re-asking of a motion that already passed in the House. It was a motion that, as it happens, the Conservatives voted against. However, it did pass in the House and the government members voted in favour of it. Now it is coming forward again. Why? Because there has not been action on something that the government said it was for. If it was not going to do it, it should have at least been willing to be up front with Canadians in terms of how the Liberals voted.

Formally, these motions that we pass are not binding on the government. However, we would expect the government, especially when it votes for something, to think about whether or not it is going to do it when it evaluates how it is going to vote with respect to a particular measure.

A particularly frustrating thing in terms of respect for Parliament is that we have a convention in this place where when party leaders ask questions of the Prime Minister, if he is present, he answers those questions. Well, it is not that he answers the questions, but he at least stands up after the question is asked and responds to the question. One could debate whether the previous prime minister answered the questions. I think he answered the questions very well, but he always responded to the questions. The member for Winnipeg North knows that whenever the previous prime minister was here, when he was asked a question by the then leader of the opposition, he stood up and responded to the question that was asked.

However, we now have a situation where the current Prime Minister, even when he is present, and I will not comment on how often that happens because it would be unparliamentary to specifically refer to the presence or absence of the Prime Minister in the House, very often does not answer the question, even when specifically asked questions by the opposition.

I could go on, but I know I am running out of time. There are so many instances where the government has failed to keep its promises. This is yet another example. Certainly, Canadians are frustrated by it, which is why they are going to throw the current government out in 2019.

• (1120)

Mr. Lloyd Longfield (Guelph, Lib.): Madam Speaker, I thank the hon. member across the way for that stream of consciousness word cloud we just heard. I was really trying to follow the stream of consciousness around today’s debate that we are having around the NDP motion, which includes offshore tax havens.

Our government has spent almost \$1 billion over the last two years in prosecuting offshore tax havens. We are seized with the job of closing down offshore tax havens. However, I did not hear anything about that part of the motion. I wonder whether the hon. member has an opinion on offshore tax havens, which is today’s debate.

Mr. Garnett Genuis: Madam Speaker, I will say that the member for Guelph is a somewhat selective watchdog when it comes to topicality, because I felt the need to respond to the myriad comments that were made by the parliamentary secretary, which included all manner of different subjects. I thought it important that those had a response. Hopefully, next time the parliamentary secretary speaks, the member for Guelph will be ready to highlight how he has taken us, in terms of the direction, off the topic. I think it is important, with respect to this motion, because it speaks to broken promises by the government as well as the general fiscal policy, but it is also important to address comments that are made by government members, especially when they are not exactly fully aligned with the reality.

With respect to the issues in the motion, I have been clear that our Conservative Party will be voting against it. We voted against the original motion on March 8, in particular, because of concerns we have about the open-ended language it uses with respect to stock options. Stock options can be a very important vehicle for start-ups and entrepreneurs, and it is on that basis that we are concerned about this.

Business of Supply

Of course, any time there is tax evasion happening, it is something that the government should take very seriously and should respond to in an effective way.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I am disappointed the Conservatives are voting against this, because of both the principle and purpose of this motion. The principle is to hold the government members to the promise they made when they voted for it the first time, and in the two elections that they campaigned on this issue.

The issue itself is that any government has to decide whether this is a good expenditure or not, and if it is a good loss of tax revenue or not. What we have noted, and my friend has probably heard this through the debate, is that the vast majority of the stock option loopholes, if we take a look just at that, climb to the top 10% of Canadian income earners. Overwhelmingly, 92% of all the benefits of this tax loophole go to the top 10%. Now, Conservatives may decide in their fight for the average person on Main Street, the small businesses they talk about all the time, that somehow this benefits them, but it does not.

We have simply said to the government that to forego \$750 million in revenue every year and receive no discernible benefit to the Canadian economy, no job creation, no innovation, no discernible benefit to help the economy be on its feet in a stronger way, only exacerbates the problem. We know that in the last number of years the overwhelming benefit of a growing economy has gone to the overwhelmingly rich, and that is a problem. It is a problem for society and for our economy.

Therefore, at least on the principle of holding Liberals to account, will Conservatives reconsider their position because making the government simply follow through on a promise is a really good thing for Parliament to engage in once in a while?

• (1125)

Mr. Garnett Genuis: Madam Speaker, we believe that in principle governments should follow through on their promises, but we are not going to vote to endorse a promise that we think is problematic. Although we believe in the principle that the government should keep its commitments, if there is an aspect on a policy level that we have been consistent in saying we have concerns with, we are not going to suddenly change our position simply to align with something that happened to be a commitment that the government made.

The member suggested that benefits of economic growth have generally accrued to only the wealthy. I would ask the member to look at the information at least in a Canadian context, because I think sometimes we import data from other jurisdictions when we are coming to these conclusions about trends in terms of equality. I think one of the best measures of relative equality is something called “intergenerational earning elasticity”, which is the relative likelihood that a person who came from a wealthy family will themselves be wealthy, or that a person who came from a lower-income family will themselves be wealthy.

Canada has done better over the last 10 years than almost any other jurisdiction in the world when it comes to this real-time measure of economic opportunity. As well, real wages for middle-income Canadians went up substantially under the tenure of the

Harper government. I think that is fairly clearly established in the data.

I do want to comment on the stock option issue but I think I am out of time, so maybe I will do that in response to the next question.

Mr. Mark Gerretsen (Kingston and the Islands, Lib.): Madam Speaker, I really encourage the member opposite to perhaps try to get some of his material from outlets other than the Fraser Institute and Rebel Media. Maybe he could look at the PBO's report, for example, which clearly states that nine out of 10 families are in a better position now than they were under the previous government.

He specifically asked for an example of where money had been taken from people who perhaps did not need it and given to those who did. I will give an example; I am an example. I used to get the universal child benefit. My family does not get anything under the new program because it is being diverted specifically to those who need it. That is the right thing to do. That is what a progressive government does.

Could the member comment on why he does not see it is a good thing that somebody, and I use myself as an example, does not get that money anymore because it goes to those who actually need it?

Mr. Garnett Genuis: Madam Speaker, I have never heard of this Rebel Media he speaks of, so maybe he needs to share a little with me about it. Maybe it is something he watches. I do not know. I do not always have time to follow media, given the work schedule I keep.

With respect to his comments about no longer receiving the universal child care benefit, I happen to know his salary, because it is the same as mine. Members of Parliament benefit significantly from the changes the government made. While they may not be eligible for the UCB anymore, they benefit a great deal because of the way in which the tax changes have been made.

The new higher tax rate only kicks in when a person earns over \$200,000. There is no tax reduction for people making \$45,000 a year or less. Those who benefit the most are those who are between the top of that middle rate and the bottom of the new rate. Those tend to be people who have relatively higher incomes than those who are in that category of really struggling.

Members of Parliament benefit significantly more from the tax changes the government has made. It is a little selective for him to isolate one aspect of those changes without talking about them in broader context.

If I have time, I want to respond to my friend from the NDP.

• (1130)

The Assistant Deputy Speaker (Mrs. Carol Hughes): We have time for one more question, and maybe the member could slide his response into that.

Questions and comments, the hon. member for Nanaimo—Ladysmith.

Business of Supply

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Madam Speaker, hearing that from the Conservatives makes this such an interesting debate. After the corporate tax rate was lowered to the lowest in the G7 by the Conservatives, when in government, it turns out that rather than leading to a boost in investment, it ended up with Canadian corporations stashing away \$200 billion in offshore tax havens. That was not a benefit to Canada.

Then to our great disappointment, the CRA staff was slashed significantly. Instead, those people could have been acting to stop tax evasion and identifying tax cheats, but that did not happen. Instead, jobs were cut, which is partly why we are in this situation.

I am curious how the Conservatives feel their credibility stands up in this debate right now when they did not crack down on tax evasion and tax avoidance?

Mr. Garnett Genuis: Madam Speaker, I can pretty well weave my response to that into the other response I was going to give. Sometimes there is a category error with respect to the NDP, where they do not distinguish business tax reductions and tax reductions that high-income earners pay. Income tax rates that high-income earners pay obviously directly benefit those high-income earners. However, when business tax rates are lowered, that does not just benefit high-income earners, but it is more likely to benefit consumers, employees of those companies, and so forth.

When we were in government, yes, we lowered business taxes. We lowered business taxes as well as the small business tax rate. We are very proud of that. The evidence shows that as we see reductions in business tax rates over time, we see an increase in business tax revenue. The lower the business tax rate, notwithstanding all the other economic benefits in economic activity, the higher the rate of earnings from business taxes directly. When we were in government, and this is the clear distinction, we lowered tax rates but we did not lower income tax rates for high-income earners.

Ms. Sheri Benson (Saskatoon West, NDP): Madam Speaker, I will be splitting my time with the member for Trois-Rivières.

It has almost been a year since Parliament passed a motion asking the government to keep its promise to Canadians. That promise was to cap the stock option deduction loophole used by wealthy Canadians to not pay their fair share of taxes, and to take aggressive action to combat tax havens where corporations and wealthy Canadians put their money as a way to not pay taxes here in Canada. The government has yet to do either. This is a huge disappointment to people in my community.

It is almost time for another budget and the government has an opportunity to finally tackle the tax havens that siphon off billions of dollars of government revenue. It can also finally close the stock option deduction loophole that allows the wealthiest Canadians to avoid paying their fair share of taxes.

The Canada child benefit was supposed to lift nine million children out of poverty. Sadly, the very same kids the government claims to be helping are not even receiving the benefit. I know that because I have asked that department directly. It cannot tell me, it cannot tell us, and it cannot tell Canadians if all of the eligible families are actually receiving the benefit.

In my riding, countless stories of single mothers are being asked to go to ridiculous lengths just to submit a claim, and of those already receiving it, it is being suspended for no good reason.

Families in my riding have lost their homes because of not receiving the Canada child benefit for which they were eligible and who only finally received it because of the help from my office. I even had members of a family agree to go on national TV to talk about their horror story with the CRA. The day after that they appeared on TV, Canada Revenue Agency called them, something they had a hard time receiving before, to say that they would be receiving their Canada child benefit.

My office helped one young single parent receive her Canada child benefit. She had provided the CRA with 75 pages of documentation to prove her eligibility and she was still denied the benefit. Obviously, this is beyond unacceptable. What many parents are forced to go through to prove their eligibility is cruel. There is something seriously wrong here.

This is a tragic illustration of the growing inequality in our country. Families struggling to make ends meet are being made to prove and prove again their eligibility, yet millionaires who wilfully defraud the government are given a free pass.

Why is there such a double standard in the way the Canada Revenue Agency treats Canadians? We have sweetheart deals for rich Canadians who have been caught not paying their taxes and penalties for the rest of us.

There are not many millionaires in my community of Saskatoon who have a need for tax havens and not many people who own stock options to use them to pay less tax. However, a lot of people in my riding cannot get service at a counter of Canada Revenue Agency anymore because it has been closed. They also had a lot of trouble simply getting a form at tax time last year.

I wrote to the minister about these problems last year. I am glad to see that some improvements have been announced for this coming tax year. However, the best news would be if the government would announce its intention to make our tax system fairer for everyone.

The vast majority of Canadians would like their government to plug the stock option loophole and track down the lost billions of dollars that have been socked away on Caribbean islands.

Here are a couple of examples of the stark income and wealth inequality in Canada that our tax system is perpetuating. Just two Canadian billionaires own the same amount of wealth as nearly 12 million Canadians. That is one-third of the population of Canada, which is unbelievable. These two Canadian billionaires have \$33.1 billion, and that is U.S. dollars. By lunch time on January 1, Canada's richest CEOs earned the same amount as the average Canadian earned in an entire year.

Business of Supply

•(1135)

A recent study by the Canadian Centre for Policy Alternatives shows that 59 tax measures that mostly benefit people above the average income level in Canada costs the government more than \$100 billion in one year.

In most of Canada, profit from stock options is considered a capital gain and therefore it is taxed at half the rate of regular employment income, the kind of income most of us earn and claim on our income tax. Also, although it had different purposes at the beginning, this tool is primarily used, and we have heard the stats, by Canada's ultra rich as a way to simply pay less taxes. Stock options now make up almost 25% of CEO compensation at Canada's top 60 publicly-traded companies. This costs federal and provincial governments close to \$1 billion each year.

I would like to note that Quebec applies the standard provincial income tax rate to profit from stock options. For that, bravo, and I ask the federal government to follow that lead.

The use of offshore tax havens by Canadian companies and wealthy Canadians is at its highest in history. It costs Canadians between \$5 billion and \$8 billion each and every year.

A year ago, the NDP asked the finance minister to not only address the imbalance that existed in how CRA treated the top 1% and the rest of us, but also to take concrete and immediate action to recoup the billions of dollars lost to tax fraud and tax havens, dollars that could be funding health care, education, and infrastructure. They could be used to fund more affordable housing, a national free prescription drug program, affordable child care, and a fair living wage.

Imagine if everyone paid their fair share, instead of just some of us. However, because the government refuses to collect billions of dollars lost every year, we cannot do the things we need to do.

Yesterday, I met with Colton, Chance, and Charlotte, three brilliant students who were representing the Canadian Federation of Students. They came to talk to me about how the government could really help students pursue their dreams of post-secondary education, to realize their potential, and to pursue their careers. I want to thank them for bringing to my attention what would be possible for a government that really wanted to help students. Lo and behold, they proposed eliminating the stock option loophole as a way for the government to have the needed revenue to help students.

Here is an example they shared with me.

Because of the decrease in government funding over the last 10 years, 10,000 indigenous students are currently waiting to exercise their treaty right to post-secondary education. The government promised, while trying to get elected, that \$50 million annually would be added to current funding to address this backlog of students trying to get an education. By simply eliminating the stock option deduction loophole, the government could fund its promise to students. It could help these students with this one measure for the next 15 years.

Before Christmas, I had the honour of meeting women in the trade journey program at the YWCA. These are mostly young women with children, exploring careers in the trades. We had a great

discussion. We talked about what would really make a difference for them, for women in these traditionally male-dominated professions. They said affordable, accessible child care was key for them to pursue their post-secondary education to realize their dreams of becoming journey persons. They did not understand why their government did not seem to understand why child care was so important to their success as parents and as journey persons.

We have a national housing strategy that cannot end homelessness, not even in 10 years. Just half of those who are homeless will be helped. The other 50% are literally going to be left out in the cold. Just a fraction of the billions of lost revenue would make a huge and immediate difference, and we could actually make homelessness history.

It is a simple equation. By ensuring all Canadians pay their fair share, by not giving wealthy Canadians a free pass, by ending the stock option deduction loophole, by simply collecting taxes owed, the government has an opportunity to match its words with actions. I look forward, ever hopeful, that the 2018 budget will be a budget for all Canadians and not just a few.

•(1140)

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

Madam Speaker, the member referenced the 2018 budget and talked about other initiatives. The member who introduced the motion said that it is all about fairness. He used pharmacare as one example. Listeners should be aware that the government has acted. The member referenced housing. That was the second example he gave. We have invested billions of dollars in the housing strategy, the biggest housing strategy brought forward to this House in probably the history of our country.

Members in the Liberal caucus have been advocating for months the importance of developing some sort of pharmacare program. In fact, the health committee is investigating that particular issue, with the idea of coming up with a report, led by Liberal members of Parliament. The government is moving forward in many progressive areas.

The question I have for my colleague is related to the close to \$1 billion being invested by the Minister of National Revenue to recoup literally hundreds of millions, going into the billions, of dollars from individuals who are not paying taxes. What are her thoughts on that?

Ms. Sheri Benson: Madam Speaker, I want to thank my fellow prairie colleague for eventually getting to his question.

We have heard the government talk a lot about things. It talks about child care and making provincial arrangements, which have not had any impact on people's lives yet. It talks about a national drug prescription program. I presented an opportunity to stop talking about those things and to actually act on them.

I also talked about a program, which Liberals trumpet all across Canada, to help children. I gave you an opportunity to find a way to do that better. That is something you need to follow through on.

Business of Supply

My comment about housing is that much of that money is for beyond the mandate of the government. It is spread out over 10 years. There is very little investment at the beginning. Its goal to reduce homelessness could be way better, and the government should really step up.

• (1145)

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would remind the member for Saskatoon West to address her questions to the Chair. If members would not use the word “you”, it would make things a lot easier.

Questions and comments, the hon. member for Provencher.

Mr. Ted Falk (Provencher, CPC): Madam Speaker, I get the impression that somehow the member takes offence to individuals who design things, create jobs, develop products, bring them to market, actually achieve a measure of success, and become wealthy. We need to understand that the wealthy in our country pay over 50% in tax, when the provincial and federal portions of their taxes are combined.

I am wondering why I get the sense that there is no appreciation for the people who create jobs, create products, design products, and boost our economy.

Ms. Sheri Benson: Madam Speaker, I will first state that I have a lot of respect for entrepreneurs, people who build things and develop products. It is something I do not have the skills to do, and I have a lot of respect for that.

What I was talking about in my speech was fairness, not giving one group a reduction or a lower tax rate than the other group. I was saying that the government could step up and actually follow through on the promises it made to Canadians during the campaign. If it followed through on its promises to do the things it was asked to do a year ago, it would actually have the funds, without raising taxes, to do the things it said, such as child care and housing.

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Madam Speaker, I rise in the House often, but this is the second time in a little less than a year that I rise to speak on behalf of the people of Trois-Rivières that I represent, the vast majority of whom are working very hard to make ends meet. Every year, these taxpayers pay their taxes as they should, as they will again very soon, and this helps fund essential public services to promote social justice and build a more inclusive Canada.

Tax fairness is at the heart of the NDP's political action. I would even say that under the leadership of Jagmeet Singh, we are the champions of social justice and tax fairness. That is why we are shining the spotlight on the problem of tax evasion and proposing tangible solutions to try once more to put an end to it.

On March 8, 2018, the House adopted a motion calling on the government to do something about the tax giveaways to the wealthy and keep its promise to cap the stock option loophole. That is just another broken election promise.

I think there are three kinds of people who make promises or three possible outcomes. This first category is people who say “yes” and take action right away. People are remembered for that, because their word means something. Then there are the kind of people who say

“yes”, but they drag their feet and need constant reminders, and we have no guarantee that their word will actually result in any action. Finally, there are the lost causes, those who say “yes” to look good, and perhaps they agree with the principle, but are completely incapable of taking action.

Frankly, I reluctantly put the Liberal government somewhere between the second and third category, that is, between those who drag their feet and the lost causes. I will give it a few more weeks to see whether the Liberals actually put their money where their mouth is in budget 2018. If it becomes clear that that is not the case, the only logical conclusion is that the Liberals are all talk and no action.

If Canadians really want a government that listens to workers across the country, regardless of their income, perhaps they should listen to the NDP's proposals the next time. I almost said “a middle-class government”, but I will refrain from using that term because it is hard to define. I will do everything in my power to make sure that these proposals are clear and well defined.

A few months ago, I gave a speech that called on my fellow MPs to support this motion. We were victorious, but only in the sense that the motion was adopted. When it came to taking action, the government did the opposite of what was called for in the motion. The government told us that it would close the loopholes and make sure that everyone pays their share of taxes in the interest of fairness, but the next day, it continued to sign new agreements with tax havens. I would be hard pressed to find a better example of talking out of both sides of one's mouth.

I am therefore rather dismayed to be rising in the House again today to speak in favour of social justice. I hope that this time I will be heard. I almost fear a second victory in the House if it means, again, that nothing will be done.

On this opposition day, I ask my colleagues to support our new motion, which calls upon the government to keep its promise to cap the stock option deduction loophole and to take aggressive action to combat tax havens.

We hope that budget 2018 will include pragmatic measures to deal with tax fraud, particularly with regard to capping the stock option deduction loophole. We are losing \$800 million to \$1 billion a year.

• (1150)

I wonder if my colleagues can imagine what we could do with \$1 billion a year. I certainly can. I have so many ideas, in fact, that \$1 billion just might not be enough. It is truly outrageous to be forgoing this revenue.

Why are stock options a crucial issue? For those who might not be familiar with this strategy, under this system, a CEO can buy shares in a company that he is running and then sell those shares at the right time, when he can turn a profit. The benefit he gets from that is considered a capital gain. He will then be taxed at half the rate of ordinary income. When tax season comes around, they usually have only one form, a T4, that states they have one job, one income, and they pay their fair share of income tax. The federal government encourages big businesses to apply this strategy, because CEOs that do pay 50% less tax on gains from the sale of their shares.

Business of Supply

Because of this tax loophole, the federal government and the provinces lose \$1 billion every year. Instead of giving to wealthy CEOs, the Liberal government should work now, by adding a simple line in the 2018 budget, to ensure that the interests of all taxpayers of this country are respected. For instance, this \$1 billion could fund research that would finally, once and for all, establish a standard on pyrrhotite in concrete and allow thousands of local families to get out of the hellish situation they have been in for years. It could quickly fund an overdue announcement by the Liberal government to publicly fund VIA Rail's high-frequency rail project that would connect Quebec City and Windsor, with a stop in Trois-Rivières. It could also be used to increase health and education transfers.

Speaking of salaries, the riding I have the honour to represent has an unusual characteristic. We have a large number of seniors. My riding's rate is three to four points higher than the average in other regions in Quebec. I have never had a single senior come to tell me that he or she is drowning in money. It is just the opposite. I often hear about seniors having trouble accessing the guaranteed income supplement. These people are living a modest lifestyle, barely above the poverty line, on their meagre pension income, even though they spent years working to develop our society.

In my region, as in others, people are struggling to live decently, and meanwhile, the wealthy are earning even more money. There is a real injustice here that we need to address. I am not saying that everyone should have the same income. We are not communists. We are saying that all Canadians should pay their fair share according to their income. This makes sense. The Liberals talk about their tax cuts and the TFSA contribution limit, and meanwhile, some people in my riding have never even heard of a TFSA or RRSP. When they file their tax returns, they generally do not have enough money to invest in savings that would give them a little more monthly income in retirement. They are light years away from this reality.

When the Liberals brought in their tax cuts, they forgot all about the first tax brackets that are financing the government's deficit. We know that the tax increase on the wealthy is not enough to finance the Liberal government's offer. Studies show that the wealth gap continues to grow year after year. Anyone can see it.

• (1155)

It is time for this government to put its words into action and to follow through on its commitments. When the time comes to vote, it should vote "no" if it opposes the NDP's motion, or vote "yes" and take action.

Ms. Linda Lapointe (Rivière-des-Mille-Îles, Lib.): Madam Speaker, I listened carefully to my hon. colleague from the Trois-Rivières area. He spoke about social justice and I find that interesting.

When we came to power, we implemented three measures. First, we cut taxes for the middle class. Then, we raised taxes for the wealthiest 1%. Finally we invested \$1 billion in tax collection and combatting tax evasion.

I would like to know why your party, the NDP, voted against these measures.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would like to remind the hon. member to address her comments through the Chair and not directly to the member.

Mr. Robert Aubin: Madam Speaker, I would like to thank my colleague from Rivière-des-Mille-Îles for her question.

I am happy to explain why the NDP voted against these measures. Every time I visit my riding, I note that the median salary is \$31,000. In order to benefit from the first Liberal tax cut, as modest as it was, one has to earn \$45,000.

I always ask my constituents the same question. I ask them whether, in their daily, weekly and family budget, they feel the effects of the wonderful announcements the Liberal government made and their magnificent speech about supporting the middle class. Every time, they tell me that it has not made a difference in their budget. I think the answer is clear. I am not saying that there is anything wrong with the spirit of the proposed measures, but the target has clearly not been achieved. By all accounts, the New Democrats and the Liberals have a very different understanding of the middle class. If the Liberals think that being middle class means earning between \$80,000 and \$150,000, we are never going to agree.

• (1200)

[English]

Mr. Ted Falk (Provencher, CPC): Madam Speaker, I listened very carefully to the member's speech. I am curious why he had to clarify that the NDP members are not Communists. I find it interesting that he would need to do that.

Having said that, the member talked a lot about social justice and fairness. Could the member comment briefly on the Liberals' new values test that they have forced upon people who want to participate in the Canada summer jobs program?

Here is an opportunity for them to talk about social justice and fairness, and why not everybody is qualified to participate in that program. People are actually going to be required to compromise some of their deeply held beliefs and values, if they want to participate. If we are as concerned as we say we are about social justice, can the NDP member tell me how that is fair?

[Translation]

Mr. Robert Aubin: Madam Speaker, I would like to thank my colleague for his question. I think it is a little off topic, but I am happy to answer.

When it comes to the Canada summer jobs program for students, every member of Parliament must consider public service job offers before signing the employment forms. My first criterion before signing is whether the job provides a real opportunity for the student to acquire relevant experience in his or her field of study. That is light years away from any religious conviction. It is directly related to the job market.

Business of Supply

In my riding, like everywhere else, religious organizations submit programs that are not really programs. We are certainly not going to ask students to spend the summer indoctrinating people on the street. However, the religious tourism jobs such as the ones offered by the Our Lady of the Cape Shrine are economic ventures. Tourism is a major industry in my riding, and it provides experience that is relevant to the workplace. That is how I look at each project.

[English]

Ms. Kamal Khara (Parliamentary Secretary to the Minister of National Revenue, Lib.): Madam Speaker, I want to begin by reiterating that our government is fully committed to fighting tax evasion and aggressive tax avoidance. We are fully committed to ensuring that our tax system is transparent, responsive, and fair.

Our government recognizes that Canadians work hard, and expect their government to do the same to ensure that everyone pays their fair share. I would like to inform the House that Canada has one of the highest voluntary tax compliance rates in the world, with more than 90% of Canadians paying their taxes on time each year. The vast majority of Canadians work hard and follow the law.

Thanks to the millions of Canadians who pay their taxes every year from coast to coast to coast, we have provided health care, built libraries and schools, helped advance scientific research, maintained roadways, and provided access to clean drinking water. Canadians have worked hard to create a Canada that we are proud to live in. We have reached all this because Canadians pay their fair share of taxes.

However, there are those who are not willing to do their part, and avoid paying their fair share. It is unfortunate to know there are individuals and companies who try to avoid their tax obligations, and who avoid putting their share into the programs and services that all Canadians, including them, benefit from.

That is why cracking down on aggressive tax avoidance and tax evasions continues to be a priority for our government. Not only is it against the law, it is unfair to the millions of honest Canadians who pay their fair share. Tax cheats rob the government of the revenues it needs to deliver the programs that Canadians have come to rely on and need to improve their quality of life. Middle-class Canadians and those working hard to join it, who pay their fair share of taxes, rightfully expect the government to do its part to combat tax cheating.

This is why our government is taking historic steps to combat tax evasion and aggressive tax avoidance. Funded by the investments of close to one billion dollars in budgets 2016 and 2017, we are transforming the Canada Revenue Agency into an organization that delivers results for Canadians, especially when it comes to delivering a fair tax system. This is what Canadians expect, and it is something that we will continue to deliver.

We believe Canadians deserve transparency into our efforts in fighting tax evasion and aggressive tax avoidance. I would like to thank the finance committee for its recommendations. That is why we have made good on our commitment to be more open and transparent by making more information available to taxpayers about the results of the Canada Revenue Agency's compliance activities.

We have established a new level of transparency to report results to Canadians and to show would-be tax cheats the serious

consequences of taking part in tax evasion and aggressive tax planning. These efforts also help deter those who may be considering abusive tax schemes that give false and misleading promises at the risk of legal consequences.

Transparency and education are not enough. That is why our government is also working diligently to identify those taxpayers who pose a risk to the integrity of the Canadian tax system and to take action. Thanks to the investments made in the last two years, the Canada Revenue Agency has now more auditors and better tools to detect and combat tax evasion and aggressive tax avoidance.

We expanded our specialist audit teams that consider all multinational corporations for audit every year, and who focus on tax plans and status of ultra-high net-worth taxpayers. There is more. The Canada Revenue Agency's criminal investigations unit has undergone important changes to make sure serious tax evasion cases, such as those involving offshore transactions and money laundering, are referred for criminal prosecution. Such investigations are very complex. They may take several years to resolve and make their way through the courts.

It is clear that our plan is working. From the start of our mandate in 2015 through September 30, 2017, for offshore files alone, as of December 31, 2017 the Canada Revenue Agency has been conducting audits on more than approximately 1,100 taxpayers, and is criminally investigating more than 20 cases of tax evasion.

● (1205)

It will continue to apply penalties to all those cases of serious tax non-compliance. We are aggressively pursuing each and every case to make it clear to tax evaders, no matter where they are that the consequences and penalties of tax avoidance are severe.

However, this is just one part of the solution. Tax evasion and aggressive tax planning are complex issues, and combatting them requires long-term concerted efforts. Furthermore, the issue of tax havens demonstrates quite clearly that tax cheating remains a significant global multi-billion dollar issue that transcends borders.

As a result, Canada is working closely with our international partners to share and receive information. We are making it far more difficult for wealthy individuals and corporations to hide money in offshore jurisdictions and avoid paying their fair share.

I am very proud to report that our efforts are paying off. We have access to more domestic and international financial account information than ever before. Already, Canada has one of the most extensive tax treaty networks in the world. We have improved our ability to link information from various sources, domestic and international, so we can better identify those taxpayers most likely to be avoiding their tax obligations.

Business of Supply

We will close in on any wealthy individuals or corporations that try to avoid paying their fair share of taxes. While the confidentiality provisions in the Income Tax Act prevent the Canada Revenue Agency from commenting on specific cases, through our collaboration with international partners we have been identifying and taking action against those who are evading and avoiding taxes and breaking the law.

In 2017, the Canada Revenue Agency began receiving country-by-country reports from multinationals to help spot profit shifting, and more information to risk assess taxpayers who may be aggressively avoiding or evading taxes offshore. Furthermore, we will begin to receive international banking information in 2018. Canada will be able to automatically exchange information with other countries to identify taxpayers with offshore accounts, through the OECD's common reporting standard.

With focused efforts and changes to the law, Canada shut down some gifting tax shelter schemes that at one point included more than 48,000 participants. We want a tax system that is fair for all Canadians and we are taking steps needed to make this a reality.

Additionally, thanks to the investments made by our government, the Canada Revenue Agency's large file risk assessment systems were also featured globally by the OECD in 2017. They are world-class and global best practices, which is why Canadians can be proud that other international tax administrations are looking for Canada to help improve their systems.

Canada's leadership and contribution to international best practices in this area is providing Canadians with a revenue agency that is a world-class tax and benefit administration. Canadians expect no less from us, and we are delivering on our promises. As a result of system improvements, we now have the capacity to risk assess 100% of large business tax returns filed every year; therefore, improving its ability to identify high risk transactions, and to ensure that those who choose to break the law are exposed and made to face the consequences.

Our government is also focusing on promoters of abusive schemes, and wealthy taxpayers who can afford to pay for the expertise to navigate the tax laws. We have levied approximately \$44 million in penalties in 2017 to tax professionals who facilitate these schemes. We are making it absolutely clear that we are not just going after tax evaders, but those who actively are involved in aggressive tax avoidance.

The government has also put in place a paid informant program, and has access to all international electronic fund transfers over \$10,000, and is analyzing the data in conjunction with other business intelligence.

• (1210)

The CRA is using a jurisdiction and/or financial institution of concern approach to identify high-risk transactions and potential offshore aggressive tax avoidance and evasion, and has committed to reviewing all international EFTs to and from four offshore jurisdictions and financial institutions of concern per year. Canadians can be proud that, thanks to our government's actions, Canada plays a key role in international intelligence when it comes to combatting overseas tax abuse.

All of these efforts and results serve to underline why the Canada Revenue Agency does not need to depend on leaked lists, such as the paradise papers, to fight tax evasion and aggressive tax avoidance. Thanks to our government's historic investment in the Canada Revenue Agency, the agency is already well under way in carrying out its work in identifying and pursuing those who are not paying their fair share long before the leak occurs.

Furthermore, in December 2017, the Minister of National Revenue announced the tightening of the voluntary disclosures program to reflect our confidence in detecting aggressive tax planning. These tighter rules will mean that individuals who participate in sophisticated tax planning will face the full consequences of their actions and do not simply get to walk away from paying the taxes owed. This decision means that cases may take longer, but we believe that this is just one option, and the one that Canadians would expect.

The Canada Revenue Agency has also begun to review selected neighbourhoods to better compare lifestyle to income, particularly where corporations, trusts, or non-residents own residential property. This will help us to better identify the taxpayers who are most likely to be avoiding their tax obligations.

Our government has laid some extremely important groundwork. It is early, but as the Canada Revenue Agency works through an ever-growing roster of audits and investigations, the analysis of recent data leaks and international benchmarking tells us that we have made progress on detecting and taking action.

Voluntary payment of tax, which is the ultimate goal of compliance work, continues to show upward trends. Canadians work hard to support their families and pay their taxes, and the Canada Revenue Agency is working hard to ensure that nobody avoids paying their fair share. Our effort is crucial in ensuring that the Government of Canada can deliver the programs that hard-working Canadians rely on and deserve.

What remains an issue is the aggression and motivation of those undertaking aggressive tax planning. The battle is now the issue of legal challenges to conducting audits, requests for information, as well as legal challenges to exploit unintended loopholes. Aided by a historic investment, the Canada Revenue Agency is working to address this through more resources, better data, and better approaches to make sure that those who choose to break the law face the consequences. The Government of Canada will not stand by and let those who choose to cheat drain resources from the services that need funding to improve the quality of life for all Canadians.

Business of Supply

All of these efforts outline the Canada Revenue Agency's continued excellence in service, compliance, integrity, security, and innovation. The agency continues to improve its transparency and accountability to Canadians. No one is above the law. There are millions of hard-working Canadians who follow the law and pay their fair share, and they rightfully expect others to do just the same. That some individuals and companies continue to try to evade their taxes is unacceptable. This is why our government will continue to work hard to crack down on tax cheats. Canadians expect nothing less, and it is what our government will continue to deliver.

• (1215)

[*Translation*]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank the parliamentary secretary for her remarks, although her lofty speeches are clearly light years removed from reality.

The reality is that, since they supported our motion to review or repeal our tax treaties and our tax information exchange agreements with tax havens, which implicitly allow companies to repatriate money without paying tax, they have signed three more. That is the reality.

In their speeches, the Minister of National Revenue and her parliamentary secretary always talk about \$1 billion and 78 convictions. Before the holidays, we learned that none of these 78 convictions, not even one or two, had to do with offshore tax evasion.

Some countries have already started recovering money, sometimes more than \$500 million, in the wake of the Panama papers implicating the Bahamas, Mossack Fonseca and all that. Here in Canada, we have yet to act on the information in those leaked documents to recover any money. We are told that court proceedings take time and that settlements may be made out of court. It follows, then, that there will be preferential treatment. That is the reality in Canada.

Can my colleague at least tell us that that reality will change and that things will finally be different at the Canada Revenue Agency than they were when the Conservatives were in power? So far, it is business as usual.

[*English*]

Ms. Kamal Khera: Mr. Speaker, when it comes to tax evasion, no other government has invested as much into the Canada Revenue Agency as we have in the past two years to crack down on tax evasion and combat tax avoidance. Tax fairness, including issues of tax evasion and avoidance, is the central pillar of our commitment to middle-class Canadians. Our government has taken significant action to date, and we are delivering on our tax fairness commitments.

I will be happy to point out to my colleague that the agency now has a full-time unit dedicated to offshore non-compliance and another focused on the wealthiest Canadians. We have implemented the common reporting standard, which allows for the automated sharing of information held by non-residents with OECD partners. With the unprecedented investment of close to \$1 billion to combat tax evasion and aggressive tax avoidance, the CRA is now able to risk assess 100% of large multinational corporations annually, and is

better able to identify those taxpayers who participate in aggressive tax avoidance schemes.

• (1220)

[*Translation*]

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I do not know whether my colleagues listen to classical music, but upon hearing a piece for the first time, it is not unusual to think, "This must be Mozart, or Vivaldi". While my colleague was speaking, I could have been blindfolded and still told you it was a Liberal speech. It appears thoughtful and flows nicely, but it never answers the question. Where I come from, people like calling a spade a spade and getting a clear answer to a clear question.

During the election, the Liberals committed to closing the stock options loophole. This has yet to happen. When we moved our first motion, they voted in favour of it, although it contained exactly the same thing. Today, we are making the same request.

My question is clear: does she believe that the Liberal government will commit to adding a single line to budget 2018 that would close the loophole?

[*English*]

Ms. Kamal Khera: Mr. Speaker, let me be absolutely clear. Tax evasion has been a priority for our government ever since we took office. As I mentioned before, we have made historic investments in the CRA to combat tax evasion and aggressive tax avoidance.

The CRA is focusing resources in areas of highest risk domestically and internationally. As I pointed out in my speech, we are proud of our results. We have improved our ability to link information from various sources domestically and internationally so that we can better identify those taxpayers most likely to be avoiding their tax obligations. From the start of our mandate in 2015 through September 30, 2017, for offshore-related files alone, as of December 31, 2017, the Canada Revenue Agency has been conducting audits of more than 1,100 taxpayers, and is criminally investigating more than 20 cases of tax evasion.

We will continue to apply penalties to all those cases of serious tax non-compliance. We are aggressively pursuing each and every case to make it absolutely clear to tax evaders that no matter where they are, the consequences or penalties of tax avoidance are extremely severe.

Mr. Chandra Arya (Nepean, Lib.): Mr. Speaker, one union leader told me that for every dollar invested in a tax audit that focuses on the average taxpayer, the return is eight dollars. However, for every dollar invested in an audit that focuses on corporations that use aggressive tax avoidance schemes, the return is about \$40 in tax revenues. Obviously, the investment our government is making in creating special groups focusing on offshore non-compliance corporations is good. In fact, the cuts made by the previous administration led to the dismantling of these specialized groups within the CRA. It is good that these groups are back in action.

Business of Supply

At the same time, we should continue to invest in CRA call centres, which are used by average Canadian taxpayers to ask for legal clarification and information. With the investments we are making in these specialized groups within the CRA, when can we expect to start seeing the results in terms of tax revenue?

Ms. Kamal Khera: Mr. Speaker, my hon. colleague talked about call centres. Service is at the centre of the minister's mandate letter. We have been clear that providing the best service possible to Canadians is extremely important to us. The previous Conservative government made ridiculous cuts when it came to phone technology. CRA has been working with technology that is 20 years to 30 years old. We understand more needs to be done. We need to make sure that we give especially the employees at the CRA the right tools and resources.

I did a tour of the CRA centre in the greater Toronto area. Our public servants work extremely hard. They are committed to making sure they provide the best services to Canadians. With the new phone technology we have invested in, we will see the results really soon.

• (1225)

[Translation]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, at my constituency office, I receive letters, emails, and calls from Canadians who tell me how offended they are that Canada still has agreements with so many tax havens.

Despite everything my colleague said, it has been shown that, as a country, we are letting \$8 billion slip through our fingers because we are not taking the strong measures that other countries are taking. That is \$8 billion that never makes it into our coffers.

My colleague mentioned how proud she was of the agreements we have with other countries. I would like her to explain how she can be proud of the fact that, in the past year, we signed agreements with the Cook Islands, Antigua and Barbuda, and Grenada. What is there to be proud of in signing agreements with new tax havens, adding still more to the already long list? Canada even created some of the tax havens. Lawyers here made sure that those countries became tax havens.

How can my colleague justify that we are not doing everything possible to do away with the system?

[English]

Ms. Kamal Khera: Mr. Speaker, as my hon. colleague said, more needs to be done. However, as I mentioned before, no other government has invested more in the CRA when it comes to tax evasion and aggressive tax avoidance that our government has. Tax fairness, including issues of tax evasion and avoidance, is the central pillar of our commitment to middle-class Canadians.

Because of the investments we have made, the agency now has a full-time unit dedicated to offshore non-compliance focused on the wealthiest Canadians. We have implemented the common reporting standard, which allows the automatic sharing of information held by non-residents with OECD countries. With the unprecedented investment of close to \$1 billion to combat tax evasion and aggressive tax avoidance, the CRA is now able to risk assess 100% of large multinational corporations annually, and is better able to

identify those taxpayers who participate in aggressive tax avoidance schemes.

[Translation]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, I would first like to inform you that I will be sharing my time with my colleague, the esteemed member for Victoria.

Tax evasion deprives families of hundreds of millions of dollars that could be invested in good social programs. It is time to put an end to this strategy that benefits only the wealthiest Canadians. The Liberals promised to tackle this problem. On November 6, the Prime Minister himself even said that the government is working every day to make sure that all Canadians pay their income tax. I have my doubts.

When we talk about tax avoidance, we are talking about several billion dollars out of our coffers. Statistics Canada, an extremely credible source, estimates that tax avoidance costs Canada \$8 billion a year. That is \$8 billion a year lost in uncollected taxes because we have agreements with the Cayman Islands, Barbados, the Cook Islands, and so on. The list is a long one.

Imagine all the problems we could solve with an additional \$8 billion a year. Here are a few examples. We could help 10,000 families upgrade their homes to improve energy efficiency. Those 10,000 families would see their energy bills drop, and there would be a reduction in greenhouse gas emissions. We could help the most vulnerable members of our society by maintaining 800,000 social housing buildings for 25 years. We could take stronger measures to lower the price of prescription drugs for Canadians and increase health transfers to the provinces. We could implement a guaranteed minimum income. These are concrete measures that would help reduce inequalities. We would be helping the middle class and all those who are working so hard to join it. That is progressive.

I just cannot get over it: \$8 billion. That is \$8 billion in 2015, \$8 billion in 2016, \$8 billion in 2017, \$8 billion in 2018, and \$8 billion in 2019. That is \$40 billion lost this term alone. That is \$40 billion out of the public purse, and, most importantly, massive amounts that we cannot invest in health transfers, social housing, the fight against homelessness, infrastructure, and more.

I was recently appointed infrastructure and communities critic. I am proud of this role and the trust placed in me. As a former municipal councillor, I am intimately familiar with infrastructure needs, which are huge. During the election campaign, the Liberals built up great expectations in the 25 municipalities I represent. They informed us that there was an infrastructure deficit, as if we did not already know, and said we have to invest in our water and sewer infrastructure, our bridges, and our roads. When I was a municipal councillor, some of the sewers in the ward I represented were 100 years old and were made of brick.

Business of Supply

People were hoping to see billions in infrastructure investments in Quebec, Ontario, or British Columbia. The revenue we are missing out on year after year because of aggressive tax avoidance and tax havens would cover the cost of two Champlain bridges or thousands of community centres in communities that really need them, such as Saint-Pie, which has been waiting for many years, and other places in my riding.

Public concern about tax evasion and tax havens is growing. My colleague from Sherbrooke and I got together on this. I invited my constituents in Saint-Hyacinthe and Acton Vale to come talk about tax havens and tax evasion. My invitation was very clear. I invited them to come watch a documentary called *The Price We Pay*. Those who looked it up learned that it was a one-and-a-half-hour documentary set mostly in London and elsewhere around the world, and our presentation was mainly in English with French subtitles.

• (1230)

I represent a largely francophone riding, and yet nearly 100 people showed up on a wintry Thursday evening to watch this documentary. We had quite a long discussion about it. I thought they would never leave my office because they were so concerned. They are outraged that the government is not doing anything about this situation.

I quite often hear from constituents about tax havens, inequalities, and tax evasion. People tell me how unfair it is that companies manage to avoid paying taxes, while these people work so hard and pay their fair share. They are so right.

I want to share a quote from an email I received from one of my constituents a few weeks ago:

We need to get rid of tax havens and make companies pay their fair share. These companies earn billions of dollars and pay less tax than ordinary taxpayers. They send their profits to tax havens, when this money could be put towards major projects in our country.

So many sectors are in need of reform, and the government will not do it. The past 28 months have shown that the Prime Minister has forgotten his election promises.

My constituent took the time to write that, and it is so true.

In a few months, it will be time for us to do our taxes. Many will have to tighten their belts, while the wealthiest Canadians can afford tax accountants and big law firms to avoid paying taxes. I quote Brigitte Alepin, a leading Quebec tax expert:

When ordinary citizens pay on average 60% of their income in income and consumption taxes while the wealthiest have a full range of tax shelters at their disposal to get around, if not cancel out, billions of dollars in income tax, we have every reason to call this a scandal of society.

It really is a scandal.

I invite everyone in Saint-Hyacinthe to my third annual tax credit information session, which this year will be at the Centre communautaire Rosalie-Papineau, 5250 Rue Gérard Côté in Saint-Hyacinthe.

Year after year, this event is a big hit and is attended by over 200 people, often close to 300. Last year, after attending this session, one of my constituents got back a \$15,000 tax refund. I therefore invite all of my constituents to come out to this event so they can hear what tax credits they are entitled to.

In March 2017, the New Democrats moved a motion to eliminate tax havens, loopholes, and favourable treatment for the wealthiest Canadians, and it passed. Instead of taking action, the Liberals signed new agreements with other tax havens such as the Cook Islands, Antigua and Barbuda, and Grenada.

Now that we are approaching budget time, it is time for the Liberals to keep their promises. Almost one year later, we are realizing that the people in our ridings, the middle class, are the biggest losers when it comes to tax havens. The Liberals keep saying that they are working for the middle class and those who are working hard to join it. The reality is that the middle class is paying more income tax, while the wealthiest Canadians are laughing all the way to the bank thanks to loopholes and tax havens, compliments of the government.

All of this is increasing inequality in our society. Our leader, Jagmeet Singh, recently said that, even though the government keeps repeating that it is working hard for the middle class and those working hard to join it, the truth is that it is building an economy that works for the privileged and leaves everyone else behind. Because multinationals and the wealthiest individuals are finding ways of avoiding paying income tax, the middle class must shoulder most of the burden to compensate for the shortfall caused by the government.

Once again the wealthiest Canadians are getting richer more and more quickly to the detriment of the middle class, who must suffer the consequences. Instead of taking real action against this social scourge, the government is not doing anything about tax havens. That is the problem. Our tax system allows the wealthiest Canadians to legally send their money to tax havens.

• (1235)

It is urgent that we change the laws to remedy the situation. The government must present concrete strategies in the next budget to eliminate tax havens.

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I appreciate the comments from the member opposite, but I do not necessarily agree with her entire speech.

We have seen a Prime Minister, in fact a government as a whole in budgetary motions that have been brought forward in this House, deal with the issue of tax evasion. The Minister of National Revenue has gone to great lengths. We have seen close to \$1 billion invested in going after those who are trying to avoid paying their fair share of taxes. It is a substantial amount of money. It is literally hundreds of millions of dollars, going into the billions of dollars, and this government is aggressively pursuing it.

I wonder why, when it came time to vote on that measure, the NDP did not vote to support it. We very rarely hear the NDP talk positively about the fine work the Minister of National Revenue has done in going after the hundreds of millions of dollars owed to Canadian coffers.

Business of Supply

• (1240)

[*Translation*]

Ms. Brigitte Sansoucy: Mr. Speaker, I am very happy to hear that he agrees with everything I said. The problem is that it is not enough to agree, we must take action.

Societies work well when everyone, individuals and companies alike, pay their fair share of tax. There is still work to be done. Yes, some things have been done. The Liberals tell us that they are doing things, but we see that in Europe some countries are doing much more. If we put all our money together, individuals and companies, in a fair manner, we can pay for quality public services such as education, health, infrastructure, and support for the elderly and people with disabilities. Unfortunately, tax evasion and the use of tax havens prevent us from investing large amounts in these essential services because the wealthiest of the wealthy have access to tax havens and strategies that cost us billions and billions of dollars. We must do more. Statistics Canada has shown that tax havens are costing us \$8 billion. That means that the Minister of National Revenue must redouble her efforts to get that money back.

Mr. François Choquette (Drummond, NDP): Mr. Speaker, I want to congratulate my hon. colleague from Saint-Hyacinthe—Bagot on her excellent work in the fight against tax havens and the push for tax fairness. She has worked really hard, and has also consulted her constituents, as I recently did in Drummond. A few weeks ago, I suddenly had about 50 people at my door to talk about the changes regarding tax havens.

It has been reported that Canadians are missing out on \$8 billion a year in tax revenues. The Liberals voted in favour of our motion, and we asked them to actively fight tax havens. What they did instead was secretly sign two more agreements with tax havens.

How are we to interpret the fact that they appear to support our requests and listen to Canadians, but then they turn around and do the exact opposite? What does that mean? Why do they say one thing and do another?

Ms. Brigitte Sansoucy: Mr. Speaker, I thank my colleague for his efforts.

We simply do not understand. We hear from our constituents about this, and they are the source of my indignation, but there are many other sources.

On April 9, 2016, at the NDP national convention in Edmonton, I had the opportunity to facilitate a round table discussion called “Tax Havens: The Price We Pay”. It was truly inspiring. Alain Deneault, a distinguished author who wrote *Canada: A New Tax Haven*, was there. I read his book on the plane. We were also joined by Harold Crooks, a filmmaker who made an excellent documentary entitled *The Price We Pay*. We also heard from Angella MacEwen, senior economist with the Canadian Labour Congress, who clearly demonstrated that if we could recover all the tax revenue we are missing out on, we could eliminate poverty in Canada. In a country as rich as ours, it is just wrong that there are children going to school without breakfast.

I attended a luncheon with these three individuals and they inspired me immensely. They fuelled my indignation at tax havens, and since then people have been talking to me about it at every event

I have attended. We are still indignant. Today we are moving this motion on behalf of the people we represent, and I am sure that many of my Liberal colleagues also represent people who are upset about tax havens.

[*English*]

Mr. Murray Rankin (Victoria, NDP): Mr. Speaker, it is indeed an honour to rise in support of the opposition day motion today, which asks the government to keep its promise to cap the stock options deduction loophole and to take aggressive action to combat tax havens and take concrete steps in the next budget to do so.

This is a very important motion for a number of reasons. During the course of my remarks, I want to talk about tax havens in particular. I also want to talk about the use of tax havens by companies that are in the burgeoning cannabis business, something that came up in the Senate a couple of days ago that I would link into this debate. Finally, I would like to talk about a private member's bill I have before Parliament that would make some contribution to this problem.

What is this problem? We have heard it often already. Other speakers have pointed the finger at the enormous and growing gap in our society, the growing inequality, where Canada's top CEOs earn 200 times the average person's salary. These statistics are quite extraordinary when Canadians hear them, and they cannot be said too often.

Oxfam reported last month that eight super-wealthy men own as much wealth as half the world's population. That is staggering. It is hard to get our heads around figures like that. Of course, the top 20% also own 67% of all the wealth in our country. This is not the kind of society I grew up in, but it is the kind of society we are leaving to our children and our grandchildren. I frequently hear, on the doorsteps in my riding of Victoria, the recognition that Canada is changing before our very eyes. One of the reasons it is changing is that we are allowing tax havens to flourish.

The government will tell us that it is doing all it can to deal with aggressive tax avoidance schemes, that it has hired all these people. However, as the old ad used to say, “Show me the money.”

I cannot remember how many times in the last Parliament I asked the member from Delta, who was a Conservative member and the minister of national revenue, just how much money they had recovered, because they kept bragging about how the CRA was on the front lines in doing all it could to recover this money. I kept asking how much money they had actually recovered. Here is how they put it: “We have identified billions of dollars.” I would ask the next time, “How much have you actually recovered?” I never got an answer. It was always “identified”. We need to watch the bouncing ball. We need to watch the rhetoric, because this government uses it as well.

About \$500 million was recovered after the Panama papers were first exposed by countries that took seriously their need to tackle tax evasion and aggressive tax avoidance. The line between those two concepts is murky at best. How much did Canada recover? We do not know. They will not tell us. Maybe they identified a lot of money. I suspect that they did.

Business of Supply

I do not for a second wish to make light of this. The government hiring more people is a good first step. Of course, when the Liberals were in opposition, they used to remind the House frequently that for every dollar invested in going after international aggressive tax avoidance, we would recover five or ten or some multiple. I absolutely believed them. It is an excellent investment.

Second, I support and applaud our government's work at the OECD, the G7, and other international places to make sure that we are part of the solution to tax avoidance and trying to deal with what they call BEPS, and a number of other things. I support Canada's leadership in those place. However, it is not as much as the British have or as the French have. I fear that Canada is there but perhaps does not have much to show for it yet.

Third, I noticed that Canada has entered into a number of these agreements called TIEAs, tax information exchange agreements. Sometimes it looks to a person reading them that all they do is regularize tax avoidance and that the use of tax havens seems to be just fine.

• (1245)

At the macro level, stepping back from this, our Income Tax Act has for a long time been criticized by accountants, the organized tax industry, and the person on the street who has enormous difficulty understanding how the scheme works. It is such a simple thing for a politician to stand up and say, "We have to simplify our tax system." How long have we heard that? Sometimes we get simplistic arguments. Sometimes I hear in Alberta how we need to have a flat tax and all of a sudden everything will be better, no matter how regressive that in practice turns out to be.

We have a big problem at the international level and at the domestic level. If one talks about the effect of tax havens on Canada, it is nothing compared to what is happening in the developing world, where resources are siphoned off and find their way into bank accounts in Switzerland and Liechtenstein and places like that. The money that is so desperately needed for development is not happening. Sadly, some of that is in the mining sector, and sadly, the mining sector seems to be a significant part of Canada's economy. We see in Vancouver that half or more of mining corporations are incorporated, sometimes using tax havens.

I am trying to set out the enormity of the problem and some of the solutions that may be at hand.

One idea I think is worth discussing, at least, is my private member's bill, which is Bill C-362. It would attempt to close some of these loopholes. This is a very simple two- or three-line bill, which I would urge hon. members to consider. It is inspired by the late Dr. Robert McMechan, who, sadly, passed away last year. He was a tax litigator for most of his career right here in Ottawa in the Department of Justice. He went on to do graduate work at Osgoode Hall. He wrote a very important book on international tax avoidance. He came into my office and asked to work with me in trying to get our hands around this enormous problem. Of course, I welcomed him with open arms.

The bill that is at issue would make what the Canadians for Tax Fairness have characterized as a significant impact. I confess that I do not know how they got this figure, but they claim that it would

yield \$400 million to Canada every year if this bill were implemented.

What would the bill do? Members will recall, back when Prime Minister Mulroney was in power and Michael Wilson was our finance minister, that Canada did what a number of countries did. The government incorporated into our Income Tax Act the general anti-avoidance rule, GAAR, as it is called. GAAR would be amended by my bill to require that there be "economic substance" considered as a relevant factor in determining whether transactions were "avoidance transactions". If the judge had the ability to eyeball a set of transactions, he or she could say that they seemed to be only for tax purposes. Putting that money in Liechtenstein or the Cayman Islands has only one purpose, and that is to avoid paying taxes, and there is no economic substance, in the jargon, for that to occur.

That was how we started, but with great respect to our courts, they took a different path in the application of that principle, and "economic substance" seems to have been lost in the fog. Cases such as Canada Trustco and Copthorne took us to a place where courts were no longer able to do what they had initially been instructed to do. This simple amendment would put us on track with what the British and the Americans are doing: being able to ensure that there is a reason to put the money in the Cayman Islands, aside from simply saving tax. It is simple, but it is an ethically important thing to do.

Speaking of ethics, it is time we took tax avoidance much more seriously rather than saluting and applauding the wizards of Bay Street, be they in a law firm or an accounting firm, who know how to play the angles. The best and the brightest, when I taught law, often went there, because the ability to make money is astounding in this field. As Canadians, we should look at that the same way we look at smoking or other social vices. This should be seen as an immoral activity. Yes, it can be done, but no, it should not be. We should, as Canadians, be applying an ethical lens to this field of the use of tax havens and aggressive tax avoidance.

• (1250)

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

Mr. Speaker, there is the idea that more than just the provincial or federal governments are involved in dealing with this issue. This is very much a global issue. I would be interested in hearing my colleague's thoughts with respect to this.

The other comment I would make is with respect to something I referred to earlier. The Minister of National Revenue has been fairly aggressive in getting the necessary investments in order to go after the people who are avoiding paying taxes. It is estimated that billions of dollars are owed to the Canadian coffers. For the first time in many years, we have a minister who has made this a priority, to the degree where we have invested close to \$1 billion in an effort to recoup billions.

Could the member comment on that as well?

Business of Supply

•(1255)

Mr. Murray Rankin: Mr. Speaker, is this the first time this is being considered a priority? I do not think so. The member said that \$1 billion had been invested. Maybe, but I do not know. How do we count that? What does it mean? It is like we are getting perilously close to identifying the money, we have invested money, but show me the money. Why can we not get the money back?

Also in talking about this as being a priority, I can find out about tax cheating by, for example, a hairdresser in Trois-Rivières or in Saskatoon by looking at the CRA website. I defy any Canadian to look at the CRA website and see how many people with trust funds in the Cayman Islands have been identified, let alone prosecuted for tax evasion.

When we look at the government's record with respect to the KPMG scandal, which I would love to talk about more, we will see how seriously the government does not take this issue.

Ms. Sheila Malcolmson (Nanaimo—Ladysmith, NDP): Mr. Speaker, I want to be clear in my question for my colleague from Victoria. We are not talking about the finance minister's bungled consultation this summer when he accused small business owners and doctors of being tax cheats and closing their loopholes. That was completely discredited and completely unfair.

Our motion today is aimed at closing the CEO stock option loophole, a campaign promise that the Liberals made in 2011 and 2015, but failed to keep. They also promised to go after offshore tax havens. If the government had kept its promises, these together would have brought \$11 billion in revenue back to Canada every year.

I am interested in my colleague's view on what we could spend that \$11 billion windfall on if we had better priorities? We have heard about pharmacare, affordable child care, treating veterans equitably, honouring the Canadian Human Rights Tribunal for compliance orders on funding indigenous kids, welfare and education fairly.

What is my colleague from Victoria hearing from his constituents about their spending priorities?

Mr. Murray Rankin: Mr. Speaker, I appreciate my colleague from Nanaimo—Ladysmith bringing to our attention the fact that there are two sides to the same coin. If we could get the \$11 billion into the Canadian fist every year, we could do so much more. We could deal with the debt and deficit. We could invest in indigenous programming. We could take climate change seriously. We could have a pharmacare program. The list goes on and on.

The member will forgive me if I also point out something I promised to point out. In the Senate on Tuesday, the Hon. Serge Joyal brought to the attention of Canadians the presence of organized crime in the cannabis market. He pointed out that of 86 companies authorized by Health Canada to produce and sell cannabis, 35 of them were financed through tax havens.

This is a huge problem with organized crime coming into this world through the back door and using tax havens. Thankfully, the RCMP appears to be aware of this. I do not know what we are doing about it. That is another part of the puzzle that needs to be addressed.

Mr. Kyle Peterson (Newmarket—Aurora, Lib.): Mr. Speaker, it is always an honour and a pleasure to have the opportunity to rise in the House, and this is no exception. I will be splitting my time with the hon. member for Hull—Aylmer, and I appreciate the opportunity to do so.

First, I completely share the commitment to fairness that is at the heart of today's motion for debate. I also believe our government has illustrated, in the clearest possible terms, through its actions, that it is committed to a fair system. Shortly after coming to office in 2015, the government took decisive, immediate action to begin the process of restoring fairness.

We raised taxes on the wealthiest 1% in order to cut taxes for the middle class, benefiting nine million Canadians. We did this, because over the past 30 years, the median real wage income of Canadians had barely risen, leaving many concerned about their future. At the same time, the after-tax incomes of the wealthiest .01% of Canadians had risen dramatically. Individuals earning more than \$1.8 million per year had seen, on average, their income rise by nearly 156%, or 3.1% per year on average, after inflation.

Canadians want a country where hard work is rewarded with greater opportunities and a real chance at success. We have been taking action to make this a reality.

I do not disagree. In fact, I would submit that no member in the House disagrees with the sentiment that every Canadian deserves a fair chance at success, with the sentiment that there should be a level playing field, that Canadians from coast to coast to coast should have the same opportunities, regardless of their lot in life, regardless of what their parents did before them, regardless of where in the country they live, and regardless of where they came from.

The sense of inclusion is so important to the essence of what it means to be Canadian. I think we all share this fair and level playing field commitment. No young Canadian should feel that they do not have the same chances, that they do not have the same opportunities as their neighbours.

This is how Canadians thrive, how Canadians see themselves, proud of our country, proud of its people, and proud of the opportunities we offer to everybody. The sense of inclusion is not a sense monopolizing Canada or only in Canadians, but it is the sense of how do we get there, how do we get there fairly, and how do we include everyone in our society.

This notion of inclusion has been around as a human notion perhaps from time immemorial. In the 1960s and 1970s, that notion of inclusion had more to do with ensuring everyone had equality and everyone had the same rights. As our economy is modernizing and as the global economy is changing, this notion of inclusion has become an economic notion.

GDP growth, of course, is laudable. GDP growth is something every nation wants. However, if that growth does not include everybody, if that growth is not distributed fairly, if that growth leaves large parts of the population behind, then we have let society down. We cannot have a society where a smaller and smaller percentage of the population gets more and more of the benefits of the economy. That is not fair, that is not right, and that is unjust.

Business of Supply

That is the essence that underlies this motion, and it is a laudable motion.

• (1300)

As a federal government, we need to ensure we create a fair system. This is all about fairness of opportunity, and of course the tax system. The tax system is one tool that our federal government has at its disposal. There are others, but today we are focusing on that system. Building a tax system that supports fairness and opportunity has been fundamental to everything this government has done.

In our 2016 budget, this government replaced the previous child benefit system with the Canada child benefit. That CCB is simpler, more generous, and better targeted to those who need it the most.

During the first year, over 3.3 million families received more than \$23 billion in CCB payments. Nine out of 10 families are better off under the CCB than they were under the previous system. In my riding of Newmarket—Aurora alone, over 13,000 families are receiving nearly \$5,500 for a combined investment, because that is what it is, in our families and our people of \$70 million.

This is one tool that helps create fairness. It is lifting children out of poverty. It is allowing families to let their children participate in extracurricular activities that perhaps they could not afford. It is helping offset the high costs of day care in my part of the world.

This is what a federal government should do. This is how the tax system can work fairly. I am proud to be part of a government that implemented this fundamental change.

In October, we also announced a reduction in the small business tax rate to 10% effective January 1 of this year, and to 9% next year. For the average small business, this will leave an additional \$1,600 a year for it to reinvest in its business. Small businesses in many ridings, including my own, are the engine of growth. Any extra tax room they have is reinvested in their business, which of course helps grow the business, which then creates the middle-class jobs.

Those are two examples of the ways the tax system is being used to benefit Canadians and to help ensure that level playing field, that equal chance at opportunity that every Canadian deserves.

• (1305)

This is an economic reality. The global market is changing. The world economy is changing. There will be a premium on innovation. There will be a premium on skilled labour. We need to create a society that puts a premium and important value on innovation and skilled labour. This is how our economy will grow. We cannot be lackadaisical in these efforts. We must always remain vigilant that the growth Canada has been blessed with is shared equally by all.

This economic reality can quickly become a social issue if growth is not inclusive. If chunks of the population feel left behind, if they feel there is no chance or opportunity for them, if they feel the economy does not work for them, they will conclude that society does not work for them. We cannot leave chunks of our population behind. As the economy changes, we have to ensure we lever the opportunity as a nation. However, we have to ensure the rewards of those opportunities are shared by all. I do not think any member in the House would disagree with that sentiment.

It is clear that our government is delivering a fair tax system. I can assure hon. members that our work will continue. Going forward, we must remain vigilant and address inconsistencies and unfairness in the tax system. This is so important because fairness is at the heart of our government's plan for long-term sustainable economic growth.

• (1310)

Ms. Sheri Benson (Saskatoon West, NDP): Mr. Speaker, I want to thank my colleague for his very passionate speech about fairness in the tax system and making sure everyone in our communities have access to the things they need to thrive and grow.

My earlier comments talked about the backlog of indigenous students. There are over 10,000 that are unable to access their treaty right to post-secondary education, because there is a backlog of funding for those students.

One of the reasons we are talking about tax avoidance and tax evasion today is that there is an opportunity here for this federal government to, first of all, follow through on not only a commitment here in the House but during the election campaign to find the revenue to make a difference in people's lives. That is part of the equation. The other part is that during the election the government promised to invest an additional \$50 million into education so that those students could access their treaty right to post-secondary education.

I would like my hon. colleague to comment about the need to follow through, not just to talk about or indicate but to follow through, on the issues we have raised today, in order for those students to be able to access their education because the funding is available, because the government is actively, and with all seriousness, going after tax avoidance schemes and tax evasion.

Mr. Kyle Peterson: Mr. Speaker, I could not agree more with the hon. member. The current conditions and the lack of access to opportunity for our first nations, especially the young indigenous people across this country, is shameful. Anything we can do as a federal government to invest in those young people will be key to their success. It is a fine example of what happens in a society when the growth is not shared by all. It perhaps should be the prime target of where we reinvest.

I agree that any money that is recouped by tax avoidance and going after tax cheats and tax havens would easily be put to much better use. That is a prime example of where that money should be invested. I agree wholeheartedly with the hon. member, and it is something that the government will strive to do.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, the Liberal promise to go after the tax loophole was clear in the election campaign. It has not yet been done. We also are looking at going after offshore accounts. We know that it has not yet been done, although we are told it is in train. It is time in this country that we start looking at really progressive tax rates. We talk about what is happening with improving the minimum wage in some parts of the country. It is time we look at a maximum wage. It used to be accomplished through taxes.

Business of Supply

I will astonish the hon. member by telling him what the tax rate was for the highest income earner rate at the time of the biggest economic boom in the United States. Post-war, everything was booming and they kept these tax rates in place for a very long time, right up until the 1960s. Members can check if they do not believe me, but the tax rate for people earning over \$200,000 a year, which equates into today's terms to \$2.5 million, roughly, was 94%. We have been so conditioned by neo-liberalism to believe that the best thing we can do for the economy is to cut taxes, that we have not looked at the evidence. The best time in employment and economic growth in U.S. history happened with the highest income earners facing a 94% tax rate.

I wonder if the hon. member thinks we should start looking in this direction at progressive taxation.

Mr. Kyle Peterson: Mr. Speaker, like the hon. member for Saanich—Gulf Islands, I studied law at Dalhousie and actually studied, for a small part of it, tax law. I agree that a progressive tax system is the best way to share wealth in a country. It is the best way to distribute growth evenly. There will be arguments, and there have been historically, about what that best way looks like. There will be disagreements, for sure, and that is part of the process.

I do not disagree with the premise of the member's submission that a progressive tax system is a good way to develop growth. Our tax code over the years has become, in my opinion, overly convoluted and complicated. Much can be done to improve it, but that is perhaps an argument for another day or another week, or another month. However, I appreciate the hon. member's position.

●(1315)

[*Translation*]

Mr. Greg Fergus (Hull—Aylmer, Lib.): Mr. Speaker, I am pleased to be here in the House waiting for my turn to speak.

I thank my friend, the hon. member for New Westminster—Burnaby for giving me the opportunity to talk about what our government is doing to ensure that our tax system is fair to all Canadians. We were elected on a promise to strengthen the economy and support the middle class and those working hard to join it. An important part of that promise is to ensure that our tax system is fair.

Therefore, on the one hand, the government has made intelligent investments to grow the economy and, on the other hand, it is ensuring that all Canadians benefit from these investments. I did say all Canadians and not just the wealthy. To that end we cut taxes for nearly 9 million middle-class Canadians and we created the Canada child benefit, which gives more money than before to nine out of 10 families with children. This money can be used to purchase school supplies or sports equipment, for example.

That is also why we are cutting the small business tax rate. As of January 1, it is 10%. On January 1, 2019, in less than 11 months, it will be lowered to 9%. The combined tax rate for small business will continue to be the lowest by far of all G7 countries.

We have helped small business create jobs. When entrepreneurs grow their business, they find new markets and create well-paid jobs, and that benefits Canada. However, when the system is used by fortunate individuals who incorporate to take advantage of unfair tax breaks, that is detrimental to Canada. We must take action and

standardize the rules. That is why, in budget 2017, we announced that we would be looking into this issue.

Last summer, we held consultations and we met with Canadians across the country. My colleague, the Minister of Finance, will have more to say about that in budget 2018, but I can reassure my colleague opposite that tax fairness for the middle class remains one of our government's top priorities.

Over the past few months, we have heard from business owners, professionals, and experts on how to improve our proposals. We listened to what Canadians had to say and are acting on their suggestions. As a result, the government announced that it will no longer implement some of its initial proposals because they would prevent people from transferring their businesses or family farms to the next generation.

We have also clarified the rules on income sprinkling, which allows high-income business owners to greatly lower their personal income taxes by shifting income to family members with little or no income. We want to better regulate this practice. However, we are going to make sure that we do not penalize family members of business owners who make a meaningful contribution to the business. There are now very clear criteria in place. Adults who are 18 and who work in the business at least 20 hours a week on average will not be affected by the changes. Adults aged 24 and over who own at least 10% of a service-based business will also not be affected.

●(1320)

The same goes for the spouse of a business owner, as long as the owner has made a significant contribution to the business and is 65 years of age or older.

Last fall, the government also reaffirmed its commitment to take steps to limit tax deferral opportunities related to passive investments. We already said that a detailed proposal would be included in the 2018 budget.

The government remains determined to improve the integrity of the Canadian tax system. By taking action to prevent tax evasion and close tax loopholes, we are contributing to fiscal sustainability.

The government's priorities consist of looking out for the well-being of Canadians, growing the economy, creating jobs, strengthening the middle class, and helping the women and men working hard to join it. To do that, maintaining the integrity of the tax system is vitally important. Everyone needs to do their part, and ensuring that remains a goal of our government. I am convinced that the hon. member will agree that this is vital and essential.

Business of Supply

In closing, I firmly believe that my colleague across the way will support this government's efforts.

Mr. Robert Aubin (Trois-Rivières, NDP): Mr. Speaker, I listened closely to my learned colleague's remarks. The issue is not whether we are going to support the government's proposals. The debate today is about a motion that we have tabled to remind this government that it made promises during the election campaign and repeated those same promises a year ago, when we tabled the same motion, which is fully in line with its campaign pledge to close the stock option tax loophole.

Will the Liberals be accountable and keep their promise?

Mr. Greg Fergus: Mr. Speaker, I know that my colleague from Trois-Rivières listened closely to my speech.

The answer is very easy: what we promised is what we are going to do. In the 2018 budget, we will ensure tax fairness for all Canadians, and we will maintain the integrity of our tax system. The government will support those who use these funds to bring greater prosperity and create jobs. It will not help those who use tax loopholes to get out of paying their fair share of taxes. We have already said that we were going to take action to ensure that everyone pays their fair share of taxes.

[English]

Ms. Sheri Benson (Saskatoon West, NDP): Mr. Speaker, I want to thank my hon. colleague for his comments and perhaps a bit of a preview of what we might hope to see in the 2018 budget.

Today, we are reminding government members of not only promises they made to Canadians during the election, but also commitments they made here in the House to motions. In particular, I want to bring forward the stock option loophole, and capping it and getting rid of it. I would like to hear the member's comments on the possibilities that would be opened up on what we could do, including what I heard yesterday, which is being able to get rid of the backlog of over 10,000 indigenous post-secondary students who wish to access funding in order to access their treaty right of education.

I hope the member agrees with the motion and will encourage his government to follow through with the promises it made during the election, in particular, to that funding for indigenous students.

• (1325)

Mr. Greg Fergus: Mr. Speaker, I would love nothing better than to reveal all of the details of the upcoming budget.

[Translation]

That said, I am not privy to those plans. However, I can assure my hon. colleague that our promises about tax fairness will guarantee that people pay their fair share of taxes. We will certainly take the necessary action to grow Canada's economy.

I hope that in the coming weeks, perhaps in a month and a half, until the next budget, they will support our measures. We will keep our promises, and we will be there to ensure greater prosperity for Canadians.

[English]

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

Mr. Speaker, I am wondering if my colleague could expand on how important it has been for the government to look at those who are trying to avoid paying taxes. One of the most significant things we have done as government to try to recuperate that money is we have invested close to \$1 billion into Revenue Canada to go after those who are trying to cheat the system. Does the member have any comments in that regard?

Mr. Greg Fergus: Mr. Speaker, the member's question gives me an opportunity to talk about the efforts that we have made.

It really comes down to a question of fairness for society, for civilized society to work. That means all its citizens need to play a proper role in making sure we are getting the activities done. There are some folks, unfortunately, who try to use some advantages for purely personal individual gain and they are not playing the role of citizens. That is too bad. There are a number of efforts we are taking to make sure, as the hon. member said, that the Minister of National Revenue has the funds and the personnel to go after those who try to take on tax avoidance measures.

There are a number of things we have done in that regard. Let me reassure my hon. colleague that measures have been taken since budget 2016, again in 2017, and I hope that we continue to do so in 2018, all the while making sure that those who want to create prosperity and put their money to good use and employ Canadians have the opportunity to do so with the help of their—

The Deputy Speaker: Resuming debate, the hon. member for Essex.

Ms. Tracey Ramsey (Essex, NDP): Mr. Speaker, I will be splitting my time with the fantastic member for Cowichan—Malahat—Langford, our new agriculture critic, who brings his perspective from Vancouver Island, which is well needed in this House.

I am very pleased to speak to the NDP motion which asks that the government keep its promise to cap the stock option deduction loophole and take aggressive action to combat tax havens, and that the House call on the government to respect that resolution by ensuring that both measures are included in budget 2018.

There is no questioning the fact that all over the world, aside from climate change, poverty is the biggest problem humanity faces today. For over 50 years, New Democrats have consistently warned of the growing inequality in Canada between the haves and the have nots, between the 99% and the 1%.

Sixty-five years ago, people and corporations contributed equal amounts of income tax to the Canadian government. In 2015-16, Canadians paid \$145 billion in income tax, while corporations paid \$41 billion. We have gone way off track on tax fairness inside our country, and we are not seeing investment. We are not seeing our country grow from the model we currently find ourselves in.

Business of Supply

By 11 a.m. on January 2, Canada's top-paid CEOs had already earned what the average Canadian earns in a year. In other words, the top Canadian CEOs earn more in a day and a half than millions of hard-working Canadians will take home in a full year. Canada's top CEOs earn 200 times the average person's salary. It is understood there will be more money being made by those sitting in CEO roles, but this has become extreme. When on the other end there is extreme poverty, we, as a country, have to take measures to address this. The Liberal government needs to take this issue seriously.

There are two Canadian billionaires who possess the same amount of wealth as 11 million Canadians. Eleven million Canadians are struggling. Greater numbers than that are struggling and for two people to be able to live their lives in extreme comfort is unacceptable.

The governing parties in Canada have often tried to portray themselves as fighting for the vulnerable in our society, but they continually pass legislation, create budgets, sign trade deals, or make backroom deals that ensure those who hold the power and wealth in our country, who have always held the power and wealth in our country, keep it and grow.

What have the Liberals been up to instead? They have gone after farmers and small business owners. They have failed to stop Revenue Canada's move to tax employee discounts, something on which we are still getting calls in our constituency offices on a weekly basis. These are people who earn minimum wage or people who receive this benefit as part of their wage package. We have signed trade deals with investor-state dispute settlement provisions that ensure power and profits stay in the hands of the wealthy elite and actually bypass the court system in Canada.

The finance minister, instead of eliminating precarious work, said to Canadians and our youth that they will just have to get used to it, to just accept it, that this is the way it is going to be. That is unacceptable to me and my colleagues in the New Democratic Party. What does it say to taxpayers, constituents, people in our communities when CEOs avoid paying their fair share while ordinary citizens have to play by the rules? It sends a message that the rules of this game are rigged completely against them.

I find it laughable that the Liberal government's two major champions of the middle class have no idea what that actually means. The Prime Minister and the Minister of Finance certainly have no idea what it means to struggle to pay the bills. They are extremely disconnected from the lives of Canadians. Saying that our country is improving and doing so well does not actually trickle down to Canadians in their everyday lives. That is not the lived experience of Canadians today in our country, regardless of what those numbers say.

● (1330)

New Democrats have always fought for and defended low-income families. As a matter of fact, there are many families in our communities right now who have no wage, who are relying on social safety nets because they are simply unable to find work. There are seniors who are now having to look for and go back to work because they cannot afford to live on what the government is providing them today. As New Democrats we know this inequality is completely unacceptable and we fight against that entitlement.

I want to talk a bit about my riding of Essex in southwestern Ontario and what poverty looks like for the people I know in the five municipalities I represent. My constituents are some of the hardest hit when it comes to poverty. According to Statistics Canada, in 2016, Windsor-Essex had the highest percentage of children growing up in low-income families in Canada, at 24%. This means that one in four children under the age of 17 in Essex is living in poverty. Their parents cannot afford to keep the lights on or pay the grocery bills. They are calling or coming to my office every single day. They are in tears, distraught, because they are struggling so badly under the way our current system is working.

The United Way of Windsor-Essex and the University of Windsor's Great Lakes Institute for Environmental Research mapped this data. It shows increasing poverty concentrations in my communities, such as Lakeshore, Harrow, and downtown Essex. These are rural communities. These are very small communities. There is an increasing number of seniors in our communities. My constituency office cannot keep up with the need, nor can my provincial counterpart.

Incomes are shrinking. Investors and small businesses are leaving, and services are no longer available. I will not even begin to describe the transportation challenges that exist in rural communities, because they are very significant and quite a barrier to people being able to access their daily needs.

Fifteen to 20 years ago, Windsor had some of the highest per capita income levels, due to the strength of our manufacturing sector. The provision of these good-paying, unionized jobs really sustained our communities. The research that was done shows that 25% to 40% of young people will not be able to pull themselves out of this destructive cycle of growing up in poverty. The one in four children already growing up in poverty will likely not be able to get themselves out of that cycle. I promise that it is not for a lack of trying or wanting something better. It is simply that there are so many barriers in front of them for them to achieve success.

I am proud of the United Way of Windsor-Essex. It has been running a pilot program to help youth who are impoverished to ensure they can make it through high school, because they are dropping out at a large rate in order to support their families. This is incredibly important.

My colleague from Victoria spoke earlier about the concept of identified money versus money actually captured. I think of the money we could capture, money that could go back into ensuring that in my riding of Essex we no longer have children living in poverty.

I implore the Liberals to think back on the motion they supported, where we would end this practice, and to look forward to budget 2018, where we can improve the lives of Canadians with the money we could potentially have.

Business of Supply

My colleagues have spoken eloquently about the need for a pharmacare program in our country. It could be funded by the money we could repatriate. If we could get this money, Canadians would no longer have to struggle or decide between buying their medication or paying their hydro bills.

I mentioned seniors. The budget could increase the GIS. The GIS boost that seniors received of \$1,000 a year for our most impoverished seniors has not dramatically changed their lives. We need to go further for seniors in our country. Seniors are feeling left out by the Liberal government. There certainly have been moves toward families, but our seniors have been left behind. Although we saw the movement toward improving CPP for my teenage children, which I am appreciative of, we need to improve CPP today for our seniors who are living in poverty.

• (1335)

There are many things we could be doing with this money. New Democrats are big thinkers. We are happy to provide the government with ideas on ways that we think Canadians' lives could benefit by getting this money, but we need the government to act, not just talk about what it is going to do.

We need it to act on this immediately. We heard the Minister of National Revenue talk about her efforts. Her efforts are not returning results, and we have to question that when we look at the moves other countries have made.

New Democrats will continue to fight for tax fairness in our country.

Mr. Chandra Arya (Nepean, Lib.): Mr. Speaker, according to an Oxfam report, 82% of the wealth created last year went to 1% of the global population. That means 3.7 billion people in the world, who form almost half of the world's poorest, saw no increase in their wealth at all. In Canada, last year, the wealth of Canadian billionaires grew by \$28 billion, which is enough to pay for universal child care and lift 4.9 million Canadians out of poverty. Liberals have taken steps in this regard.

Why did my hon. colleague vote against our proposals to increase the tax on the richest Canadians in previous budgets?

• (1340)

Ms. Tracey Ramsey: Mr. Speaker, I appreciate that my colleague is putting forward New Democratic Party's argument of inequality that exists in our country. What I did not hear is what the Liberals are doing about that inequality.

In fact, what I see happening on the Liberal side is this flip-flop on stock option loopholes and tax havens. To me and other Canadians, this just shows that the Liberals are under the influence of very powerful lobbyists and corporations, and are not actually standing for the interests of Canadians, like New Democrats continue to do every single day in this House.

Therefore, I have a question for the member. Why does the Liberal government refuse to act, and not use this money to address the inequalities that he himself raises?

[Translation]

Mr. Pierre-Luc Dusseault (Sherbrooke, NDP): Mr. Speaker, I thank my colleague for her excellent speech.

I know that my colleague has a lot of hope in general, but on this issue, I wonder whether under the current Liberal government she will still be able to keep that hope alive.

Two of the most influential people in cabinet, namely the Prime Minister and the Minister of Finance, have no idea what it is like to not be able to eat three meals a day. When they say the words "middle class", they have no idea what that represents. Their idea on paper is of a middle class that earns between \$80,000 and \$160,000 a year, because in their tax cuts for the middle class, those are the ones who will benefit the most.

Does my colleague really believe in the government's will or its understanding to solve the problems of inequity in our society?

[English]

Ms. Tracey Ramsey: Mr. Speaker, I do not believe they do understand. To the Liberals, in particular, the Prime Minister and the Minister of Finance, the idea of the middle class is someone over here, a group of people they know are out there. They are not necessarily people in their families, people who they interact with every day, or people who go to them with very serious issues that they are trying to overcome, such as poverty. This is the reality of Canadians.

The Liberals have assigned this \$40,000-plus amount to the middle class. A report just came out that says the median income in Canada is around \$33,000. The tax cut that Liberals claim they gave to those in the middle class was not really for the middle class in Canada, because there was absolutely no tax cut at \$33,000 and under. Therefore, the most vulnerable in society have received no break from the government.

It is really New Democrats who continue, as we do today on this opposition motion day, to push the government to act in the interests of Canadians, so that we can move toward reducing inequality.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the member said she stands up every day for the disadvantaged. The days that I have seen the member stand include the days she voted no to a tax increase on Canada's wealthiest 1%. Members of the NDP stood and said no to the increase to the Canada child benefit. The NDP stood and said no to the increase to the guaranteed income supplement. The NDP even stood to say no to the budgetary measures that included almost \$1 billion to go after individuals who avoid paying taxes.

Does my hon. colleague regret standing up against those types of progressive measures that would help everyday Canadians? That does not include the time she stood to vote no against the middle-class tax break.

Business of Supply

Ms. Tracey Ramsey: Mr. Speaker, I applaud the member for bringing up his love of omnibus budget bills, and bringing Conservative tactics back to this House to make sure that the Liberals can ram through legislation. When it comes to omnibus budget bills, I understand that the member opposite supports that, because his government has actually participated in that more than the Conservative government did previously.

What I would like to talk about is where the Liberals have failed to act. It is interesting to me that we are talking about tax havens, and that was left out of the member's question. Talking about how we capture that money, and talking about tax fairness was left out.

Since our motion on March 8, 2017, the Liberals have not just failed to act, they have signed new tax information exchange agreements with Cook Island, Antigua, Barbuda, and Grenada. These agreements are an exchange for information from these countries that allowed Canadian companies to repatriate the income of their subsidiaries in these countries. In other words, the Liberal government just made tax evasion that was illegal, legal.

• (1345)

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Mr. Speaker, it is always tough to follow the member for Essex. She is a very passionate defender of her people, and it is an honour to serve with her in the House.

I congratulate my colleague from New Westminster—Burnaby, our new finance critic, for bringing forth this debate. It seems that, once again, we on this side of the House are calling on the government to honour a promise. I am starting to lose count of how many times we have had to do this.

The motion that was adopted by the House happened almost an entire year ago. It is because we have seen failure by the Liberals to act on these proposals that we have to again bring forward this motion. We are very glad to be doing so, but we want Canadians to know that, on this side of the House, we are doing our job to hold the government to account.

We will make sure that Canadians know we are fighting for tax fairness on this side of the House. I hope to see budget 2018 reflect some of the promises and hopes that Canadians have in seeing the power that we wield in the House actually used for some good, because we do collectively wield a lot of power in the House of Commons, and we can have that ability to make a real difference in Canadians' lives.

Our motion last year and again today is asking the government to address tax loopholes that primarily benefit the wealthy, including keeping the Liberal campaign promise of closing the stock option deduction loophole. The second part is that we want the Liberal government to crack down on the use of tax havens. We want to see the tightening of the rules for shell companies, renegotiating tax treaties that let companies repatriate profits from tax havens to Canada tax free, as well as ending penalty-free amnesty for deals with individuals who are suspected of tax evasion.

I got into politics because of the availability given to me in the previous seven years, before 2015, where I worked as a constituency assistant. I was primarily responsible for case work. In that seven years, I really got to see up close and personal the financial details in

meeting with my constituents. I really got to see that there were a lot of families out there who were playing by the rules, working extremely hard, but the system was kind of gamed against them because of low incomes.

The tax system really exists in two worlds, and they just needed a little more help. However, I saw that the policies and legislation enacted in Ottawa were increasingly not looking after those who needed it the most. Therefore, when the opportunity came for me, I decided to enter politics, because I was not quite ready to say goodbye. I felt compelled to come to this place to continue on the fight for what so many of my constituents and so many Canadians deserve. We really do have an opportunity before us to do the right thing.

In Canada, we are increasingly seeing two worlds, and the world for most Canadians is increasingly unaffordable. It involves more precarious work, and it is a harder place in which to get by. The second world is an exclusive club for the wealthy and the well-connected who get that special access, and are exempt from rules the rest of Canadians play by.

We live in a Canada where by 11 a.m., on January 2, Canada's top-paid CEOs had already earned what the average Canadian earns in a year. They earned approximately 200 times the average person's salary. The top 20% of Canadians in 2015 owned 67% of all the net worth in Canada. Therefore, we live in a Canada where wealth is becoming increasingly concentrated in the hands of a few.

I salute people who are successful and able to generate wealth for themselves, because we have to salute those people. However, it is increasingly a sign of instability for our society when we have the top 1% accumulating massive amounts of wealth, and the rest of us are not seeing any noticeable increase in our standard of living. This is an unstable situation, and if we allow it to continue, we cannot survive as a country. Something must be done to address this.

• (1350)

Successive Liberal and Conservative governments have given up billions of dollars in tax revenue over the past three decades due to the loopholes that exist, by invoking trickle-down theories to defend a loophole that benefits mostly the ultra-rich. We all know about trickle-down economics, how wealth will magically trickle down to the people who need it. If we just allow the people at the top to earn all the money they can, they will in turn allow that money to trickle down. There is no evidence out there to show that this has actually worked. That is not sound economics.

Increasingly, we are seeing that wealth continues to accumulate at the top. Some people continue to defend trickle-down theories, which assume that economic growth, encouraged by a free market, will inevitably succeed in bringing about greater justice and inclusiveness in this world, but that is an opinion that has never been confirmed by the facts. Indeed, even the International Monetary Fund recognizes that trickle-down economic theories are absolute bunk.

Business of Supply

Tax avoidance and evasion by the rich undermine our democracy by starving the social programs and public services that many of us depend upon. When we are not collecting that money, we are actually losing the availability of that revenue to fund social programs that we could very much use. It significantly undermines the government's ability to provide funding for urgent priorities, such as affordable housing, public transit, health care, green infrastructure, education, and other public services.

It is estimated that the use of offshore tax havens, which is at its highest in history, is costing Canadians \$10 billion every year. Canadian corporations stashed almost \$40 billion in 2015 in the top 10 tax haven destinations for Canadian capital, which brings the total since 1990 to \$270 billion. These are places like the Cayman Islands, Barbados, and other jurisdictions. In fact, the top five tax havens are Barbados, Luxembourg, the Cayman Islands, the Bahamas, and Bermuda.

Liberals did vote in favour of the motion last year, but since then they not only have failed to act upon it but have also gone on to sign other tax haven treaties with the Cook Islands, Antigua, Barbuda, and Grenada. With the budget fast approaching in 2018, we really need the government to live up to its promise and address these loopholes.

The flip-flop on the stock option loophole and on tax havens shows the influence that powerful insider lobbyists have on the government's policies. My constituents do not have access to high-priced Bay Street lobbyists. They do not have that inside track with the Liberal cabinet. I just wish that the voices of ordinary Canadians would actually make it into tax policy. This is an area where the government can clearly make a difference, and the Liberals will find support from the New Democrats on this issue. We will gladly support them. In fact, I encourage the finance minister to consider putting these measures in budget 2018.

It is going to take a strong political will to reverse the trend of rising income inequality, which began decades ago and has continued under both Conservative and Liberal governments. There are a number of things we could do. We need to change the corporate tax rules that allow for the use of shell companies. We need to review the tax treaties that let companies declare profits in tax haven countries and then repatriate them back to Canada absolutely tax-free. We absolutely need to end penalty-free amnesty deals for individuals.

We have to show that people engaging in this kind of practice are going to have the book thrown at them. Absolutely no ands, ifs, or buts, we have to stand by our word. When a parent starts bending the rules, kids always look for a way to continue going after it. It is the same with people who avoid paying tax. If they realize that the government is willing to negotiate, they will simply use that to continue the same kind of behaviour.

In conclusion, there are so many areas where we could do some good with this money. We could have a national pharmacare plan or a national child care plan, or end boil water advisories for first nations reserves. I really hope that these measures make it into the budget. The government has willing partners on this side of the House to actually see these measures adopted. Let us use our collective power as members of Parliament to finally get these

measures passed, do a good job for Canadians, and make this a fairer country. Ultimately, every single Canadian who voted in the last election would like us to live up to that ideal.

• (1355)

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, my colleague did a fairly good job of knocking down a straw man in some of his discussions about economic philosophy. Certainly, I have never heard anyone in this House defend the idea of the so-called trickle-down economics. Very often that is simply a caricature used by someone on the left.

It was the Conservative government that focused on cutting taxes for low- and middle-income people. We lowered the GST and the lowest marginal tax rate, introduced universal benefits, and, yes, we also lowered business taxes. The problem with the New Democrats is that they do not seem to understand how providing tax cuts to small and other kinds of businesses actually provides significant benefit, not only to consumers, employees, and the economy as a whole, but also to union pension funds and other important funds that invest in businesses and generate a return from their success.

I wonder if the member would be willing to at least reframe his arguments to contend in a more serious way with what people in other parties actually believe, rather than focusing on trying to construct this caricature and then knock that down.

Mr. Alistair MacGregor: Mr. Speaker, we only need to look at the policies that successive Liberal and Conservative governments have implemented to see that they benefit a very select few at the top. What is unfortunate about my Conservative friends is that they fail to understand that implementing national plans, like a national pharmacare plan and a national child care plan, can have very real effects and a positive benefit.

When I was knocking on doors in the 2015 campaign in the city of Langford, which is home to many young families, they were all talking about the fact that the lack of child care availability and the high costs were real barriers to the other parent getting a job. It was too expensive for him or her to get another job. Similarly, I talk to seniors in my riding, many of whom are cutting back on their prescriptions. They are unable to afford them because the cost of pharmaceuticals in this country is so high.

The Conservatives fail to understand that, yes, we may be able to elicit some positive benefits with tax measures, but as a collective body, as a nation, we work better when we put our efforts together in these national nation building programs. That is why I am proud to stand on this side of the House to advocate for those plans, because I know they are going to do well by my constituents and all Canadians.

The Speaker: There will be two minutes and 30 seconds remaining for questions and comments following the speech of the hon. member for Cowichan—Malahat—Langford when the House next resumes on this topic.

*Statements by Members***STATEMENTS BY MEMBERS***[Translation]***TRANS-PACIFIC PARTNERSHIP**

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Mr. Speaker, today I am proud to rise in the House to acknowledge all the members from all parties who are formally committed to fully protecting supply management in the new trans-Pacific partnership.

The motion we adopted is unequivocal: that this Parliament ensure that there is no breach in supply management. “No breach” means no part of the market, none, zero.

I am pleased to see that the government, like us, recognizes that Quebec farmers have already made more than their share of sacrifices in the name of Canadian international trade.

With this commitment comes the responsibility to act. The government must keep its word and immediately resume talks with the 10 partners of the new TPP. We have given our word and registered it on the parliamentary record for posterity. We will not accept any concessions whatsoever on supply management.

* * *

• (1400)

*[English]***ORTHODOX CHRISTMAS**

Mr. Joe Peschisolido (Steveston—Richmond East, Lib.): Mr. Speaker, on Saturday, January 6, I joined the parishioners at the Holy Resurrection Russian Orthodox church to celebrate Orthodox Christmas Eve.

It was a beautiful ceremony led by the Very Reverend Michael Fourik, who kindly introduced me to some of the teachings of the Russian Orthodox faith. He also generously allowed me to bring greetings to the church community. It was a great honour and humbling experience.

I would also like to thank Sergei Poversky and his lovely family for inviting me to their Christmas Eve celebration. The Poversky family are proud members of the vibrant and substantial Russian Canadian community in Steveston—East Richmond.

The Russian Canadian community continues to contribute to the vitality and strength of our great country.

* * *

HELEN EVELYN CARSTED

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, I rise today to recognize Helen Evelyn Carsted, who passed away peacefully at the age of 86 last week.

Helen was a nurse, small business owner, mother, grandmother, great-grandmother, and loving wife of 64 years to George.

George would move to Winnipeg, where Helen studied nursing. He would brave frigid Winnipeg winters on a bicycle every day. Helen was worth it, he said.

A devout Catholic, she raised funds to build St. Albert the Great parish.

Born with a green thumb, Helen transformed her backyard into a garden that would make any gardening editor jealous.

Politicos will tell us there was not a more stylish lawn sign installer. She was elegance personified in her immaculate white Cadillac stuffed with Reform Party of Canada lawn signs, and a sledgehammer for good measure. Helen was always the picture of elegance.

She is survived by her beloved husband, five children, 11 grandchildren, and seven great-grandchildren.

A wonderful life has now returned to the Kingdom of God. Helen lived life doing ordinary things in extraordinary ways.

* * *

PARLIAMENTARY POET LAUREATE

Mr. Robert-Falcon Ouellette (Winnipeg Centre, Lib.): Mr. Speaker,

Wild wind city, pitiless with blizzards—
And black blues, never whited out, but wailed—
Authentic—like freight trains, those steel lizards
That, loco, veer Prairies, where settlers trailed.

Métis capital—backed with Fort Garry,
Saint-Boniface—where Louis Riel was jailed
Solely by his soul's work: To see, starry,
All First Nations flourish, none assailed.

Thus, Winnipeg's revolutionary:
The Golden Boy capping the parliament
Mirrors France's Bastille statuary.
(That 1919 Strike had *Commune* intent?)

Guess Who's a citizen of Winnipeg?
All fighters, who'll not, for civil rights beg.

Wheat Board and Credit Union city, sweet
Hoard of gold grain and gold-heart socialites—
And socialists! Where forking rivers meet,
And mosquitoes torque to deliver bites

As hurtful as long bombs a Blue Bomber
Hurls, touching down as hard as Jets alight,
Slapping shots round goals. Not a bit calmer
Is ballet—where gravity's put to flight—

Royally, of course. Where bison congregate,
No hunter's hatred has em in his sights!
Where poets and folk singers legislate,
A museum consecrates Human Rights.

Winnipeg is citizens, Indigenous
And not, but striving all to live *Justice!*

That was written by George Elliott Clarke, seventh Parliamentary Poet Laureate, 2016-17.

Statements by Members

[Translation]

2018 WINTER OLYMPIC AND PARALYMPIC GAMES

Mr. Matthew Dubé (Beloeil—Chambly, NDP): Mr. Speaker, in less than 24 hours, Canadians will be glued to their screens as the Pyeongchang Olympic Games kick off.

Events include biathlon, bobsleigh, curling, hockey, luge, figure skating, speed skating, ski jumping, skeleton, freestyle skiing, and snowboard. With so many exciting sports and so many athletes making us proud, we will not even notice the cold. From the Dufour-Lapointe sisters and Kaetlyn Osmond to Mark McMorris, Patrick Chan, and Marie-Philip Poulin, there will certainly be no shortage of spectacular athletes to cheer on.

[English]

However, I cannot forget our amazing flag-bearers, Tessa Virtue and Scott Moir. This is the first time Canada will have dual flag-bearers and they could not be more deserving. In 2010, here in Canada, they were the youngest skaters ever to win Olympic ice dance gold and won silver four years later in Sochi.

We may watch the medal count very closely, but let us enjoy the moment, and more importantly, take pride in these incredible ambassadors who, for a few exciting weeks, will be the face of our country to the world.

Go, Canada, Go.

* * *

PORT COQUITLAM RAIL YARD FIRE

Mr. Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): Mr. Speaker, in the heart of Port Coquitlam lies the second largest rail yard west of Winnipeg. Late last month, a tanker truck moving ethanol through this yard was involved in a collision with a train resulting in an explosion and a spectacular fire that made the national news coast to coast to coast. Fortunately, there was no loss of life.

While we await the outcome of investigations, I commend the joint emergency planning, training, and coordination between Canadian Pacific teams and the City of Port Coquitlam. Their emergency preparation and planning unfolded with precision to keep the situation under control, to undertake the necessary evacuation of an 800-metre radius in an orderly fashion, and to ensure no loss of life and no injuries.

I thank and express my ongoing confidence in the City of Port Coquitlam and all first responders as well as Canadian Pacific personnel for their ongoing professionalism and skill in keeping our community safe.

* * *

●(1405)

CANADA SUMMER JOBS PROGRAM

Mr. Dane Lloyd (Sturgeon River—Parkland, CPC): Mr. Speaker, this past December, hundreds of charitable organizations were presented with an ultimatum: abandon their beliefs and principles or be denied funding by the Liberal government. Numerous businesses, faith organizations, and groups in my riding

have participated in the summer jobs program for years. They will not betray their principles and the Liberals will punish them for it.

Canadians must not be forced to sign a document that violates their freedom, the same freedom guaranteed in the Charter of Rights and Freedoms. The actions of the Liberal government are wrong and they are simply un-Canadian. It is time for the Liberal government to stop attacking freedom and to start standing up for all Canadians.

* * *

[Translation]

SAINTE-THÉRÈSE LIONS CLUB

Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.): Mr. Speaker, the Sainte-Thérèse Lions Club is celebrating its 50th anniversary this year.

The philanthropic organization has been improving the lives of people in Thérèse-De Blainville and elsewhere since it was founded by Roméo Légaré in 1968. The Lions Club is dynamic and engaged and plays an important role in the community. It has injected over \$2.5 million into the community to support people with disabilities, the less fortunate, and youth, and has also been active in health care and education. The Lions Club is a wonderful example of solidarity and generosity and a great inspiration to all.

I would like to take this opportunity to highlight the work of club president, Lion Danielle Corbeil, who has been involved with the Lions for 19 years. I would like to congratulate all members of the Sainte-Thérèse Lions Club and thank them for their solidarity and devotion to our community.

Bravo! Happy 50th!

* * *

[English]

2018 WINTER OLYMPIC AND PARALYMPIC GAMES

Mr. Ali Ehsassi (Willowdale, Lib.): Mr. Speaker, the upcoming Winter Olympics in Pyeongchang, South Korea, mark our largest ever delegation sent to the Winter Games, with 230 proud Canadian athletes ready to compete. I know that all of our Canadian Olympians and Paralympians will do us proud.

Olympic mascot Soohorang and Paralympic mascot Bandabi are already delighting kids and inspiring the next generation of Canadian athletes.

The Olympic Organizing Committee has chosen “Peace” as the central theme of tomorrow's opening ceremonies. I hope the games can serve as a turning point for conflicts around the world.

I join all Canadians, including many in my riding of Willowdale, in celebrating the Korean hosts of these games and the Canadian athletes, coaches, trainers, and staff who will be proudly wearing the Maple Leaf in Pyeongchang.

*Statements by Members***WAR IN YEMEN**

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Mr. Speaker, the war in Yemen must not be forgotten. It is a humanitarian catastrophe, and it is also, in strategic terms, one of the stupidest wars fought. It is stupid because it is bad for everyone's interests and everyone is losing.

Iran's regime is provoking conflict and this has provoked backlash at home. The people of Iran do not want this war, and the regime is losing credibility as a result. The Houthis, by aligning themselves with Iran, have made themselves a much less palatable partner for others. Their own Iranian-inspired persecution of minority communities, like the Baha'i further weakens their position.

Saudi Arabia is failing to make headway and is bringing themselves into further disrepute by their treatment of civilians. Saudi Arabia needs strategic co-operation with the west, and that co-operation requires human rights progress.

There is a strong, strategic, and moral case for peace negotiations that exclude Iran and that recognize the legitimate aspirations of Shia and other minority communities in Yemen. Such a deal would probably be good for everyone and could establish a workable framework for majority-minority co-operation in the region.

Let us get on with it.

* * *

● (1410)

ARCTIC INSPIRATION PRIZE WINNERS

Mr. Michael McLeod (Northwest Territories, Lib.): Mr. Speaker, Wednesday of last week was a big night for the Northwest Territories here in Ottawa.

I was pleased to attend the Arctic Inspiration Prize ceremony on January 31, where two organizations from my riding were announced as winners.

Dene Heroes Publication, whose project enables indigenous youth to contribute to books about inspiring people in their community, received \$100,000.

The grand prize of \$1 million was awarded to the Arctic Indigenous Wellness Foundation. Their team is establishing a centre in Yellowknife that will provide traditional healing services to northerners.

I say congratulations to both organizations, and I look forward to their continued success in the years to come.

* * *

[*Translation*]

PYEONGCHANG OLYMPIC AND PARALYMPIC GAMES

Mr. Stéphane Lauzon (Argenteuil—La Petite-Nation, Lib.): Mr. Speaker, the opening ceremony of the Olympic and Paralympic Games in Pyeongchang is just a few hours away and will be a highlight of winter 2018. We are all looking forward to the kick-off and cannot wait to cheer on our athletes, the pride of Canada. Our Olympic and Paralympic teams are ready to rise to the challenge with the support of the Canadian Olympic and Paralympic committees. National sports organizations and our partners support

our athletes so that they can focus on excellence in their sport and reaching the podium as the best in the world in Pyeongchang.

Canadian Heritage is working with the Canadian Olympic and Paralympic committees, Global Affairs Canada, the RCMP, and the Republic of Korea's missions in order to put the appropriate plans in place for another successful games. I encourage all Canadians, the team behind the team, to support our athletes, who are a source of inspiration.

[*English*]

Go, Canada, go.

* * *

TAIWAN EARTHQUAKE

Mr. Bob Saroya (Markham—Unionville, CPC): Mr. Speaker, I rise today to honour those who have been devastated by the swarm of earthquakes that have recently hit Taiwan. Sadly, 10 people have been reported killed, and dozens are still missing.

The magnitude 6.4 earthquake struck the Taiwanese city of Hualien late Tuesday night, and has since trapped numerous people in collapsed buildings and damaged roads and bridges. There have been more than 100 aftershocks recorded since the initial quake, and authorities have warned that earthquakes of magnitude five or higher are possible over the next two weeks.

I understand that a great number of people are left without water and electricity in their homes. My thoughts and prayers are with Taiwan in this difficult time of great uncertainty.

* * *

SCARBOROUGH—AGINCOURT

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Mr. Speaker, I am very proud to speak for the first time in the House as the member of Parliament for Scarborough—Agincourt.

I want to thank the people of Scarborough—Agincourt for their support and trust. It is an immense honour to be their representative in Ottawa. I also want to thank the many volunteers, friends, family, and community leaders that were there for my campaign.

In Scarborough—Agincourt, diversity is our strength and that is something we can all be proud of. I will work on the issues that got me elected: the Bridletowne community hub, seniors, housing, mental health, youth, and transit, and will continue the work of our government in helping the middle class.

I want to continue Arnold's encouragement of civility in the House, where listening and talking to each other is very important. I will be a strong voice for Scarborough—Agincourt and the issues that are important to the residents of this great riding.

*Oral Questions***AFFORDABLE HOUSING**

Mr. Don Davies (Vancouver Kingsway, NDP): Mr. Speaker, access to affordable housing is vital to the health and well-being of all Canadians. It is a fundamental human right, and yet too many Canadians struggle with housing insecurity, particularly in British Columbia.

Vancouver is Canada's most expensive housing market, the third highest in the world. It has one of the lowest vacancy rates and the highest rents in the country. This has caused what can only be described as a crisis. Young people are being forced out of the communities they grew up in, families are living in cramped quarters, and businesses cannot find the employees they need. That is why the New Democrats propose a national housing strategy that commits federal investment for affordable housing of all types, especially for seniors, young families, low-income Canadians, and the special needs community. We should build thousands of new co-op units, as well as provide renewed support for existing ones.

We need action now. With the 2018 budget upon us, I call on this government to recognize the serious issues facing millions of Canadians and commit to addressing the housing crisis immediately.

* * *

•(1415)

2018 WINTER OLYMPIC GAMES

Mr. Robert Kitchen (Souris—Moose Mountain, CPC): Mr. Speaker, tomorrow, February 9, marks the opening ceremonies of the 23rd Winter Olympic Games in Pyeongchang, South Korea. Team Canada, which includes 225 of our best high-performance athletes and 87 coaches, will march into the opening ceremonies led by our flag-bearers, figure skating champions Tessa Virtue and Scott Moir.

I know that all members in the House are looking forward to cheering on our athletes as they compete against the rest of the world in 102 events. I encourage all Canadians to show your support and your pride for Team Canada in whatever way possible. These outstanding athletes represent what Canadians are all about, hard work, dedication, and most of all, having the ability to have fun in sub-zero temperatures.

On behalf of the Conservative Party and all members of the House, I would like to wish all of Team Canada the best of luck at the games. Go, Canada, go.

* * *

MENTAL HEALTH

Mr. Majid Jowhari (Richmond Hill, Lib.): Mr. Speaker, last week Bell Let's Talk brought mental health to the forefront of the national conversation, recognizing that only through open dialogue and understanding can we end the stigma.

I have been inspired by the work done to help those in my riding suffering from mental illness. This last week, High Notes Avante held a gala fundraiser for mental health at the Richmond Hill performing arts centre, organized by none other than Ingrid Taheri. It was a wild success and a clear example of my riding's dedication to this issue.

Over the course of the next five months, the parliamentary mental health caucus will do its part. Made up of members and senators from all parties, we have begun an investigation into youth suicide. Every young life that is lost is a tragedy. It is our duty as parliamentarians to work together to find compassionate, common sense support systems and solutions to deal with suicide.

ORAL QUESTIONS

[English]

NATURAL RESOURCES

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, the Prime Minister is completely missing in action when it comes to defending the Trans Mountain project. As this trade dispute grows between Alberta and British Columbia, the Prime Minister is doing nothing. This week, he is in the United States collecting photographs of his favourite U.S. political heroes, but Canadians are paying the price here at home.

We know that the Trans Mountain project is important to Canadians. It has been declared to be in the national interest, and it will create thousands of jobs across the country. What is the Prime Minister specifically doing to make sure this project actually gets built?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, let me assure the member opposite that we agree that the approval of the Trans Mountain project was in the national interest. It is well within our jurisdiction, and this project will go ahead. In fact, today I had discussions with both my counterparts from Alberta and British Columbia. We have officials in British Columbia right now having discussions. We are going to get to a resolution.

I was also very proud today to announce a new environmental assessment process, rebuilding trust in a system that was so desperately lost under the previous government.

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, it is the Liberals' process in which people have lost trust. It was the Liberal government that killed northern gateway based purely on politics, not on science. It killed energy east by loading on so many hurdles that it became economically impossible to proceed. Now with Trans Mountain, it has done nothing for months. It is always talk but no action with the government.

Is it because the Prime Minister thinks of his job as just ceremonial in nature?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, I am extremely proud that we delivered on a major campaign process. We are rebuilding trust in how we do environmental assessments so we can actually get to yes on good projects.

Oral Questions

Unfortunately, under the Harper government, that trust was lost. The Harper government gutted our environmental assessment process. It removed protections for fish and fish habitat for navigable waters.

Today we are re-establishing that trust. We know the environment and economy go together, and we will get good projects built while protecting our environment.

• (1420)

Hon. Andrew Scheer (Leader of the Opposition, CPC): Mr. Speaker, there is a complete lack of confidence in the Liberal government's approach, and the proof is in the amount of investment leaving this country. Billions of dollars have left the energy sector thanks to the government's process. When projects do get to a yes, the Prime Minister says no, based on politics.

Now, the Minister of Natural Resources said that he would not tolerate unnecessary delays. This project was supposed to start in November. Nothing has been done.

Exactly what is the Liberal government's definition of an unnecessary delay?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, delays we saw under the last 10 years of the previous government. It did not understand that the environment and the economy go together.

I am extremely proud that in January 2016 we introduced interim principles to approve major projects, to make decisions based on science, on consultation, on engagement with indigenous people. We also said that no projects would go back to the starting line. We announced the national climate plan. We announced the oceans protection plan. It is in that context that we approved the Trans Mountain project. That project will get built.

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Mr. Speaker, the Trans Mountain project is extremely important to Canada, to Canada's economy, and to all Canadians. Unfortunately, we have two provinces that are bickering and unable to come to terms in the interest of our national economy, which is a shame. The Prime Minister's job is to be a leader, on behalf of all Canadians. Unfortunately, the Prime Minister went off to the United States for some photo ops instead of dealing with the real problems facing Canadians today.

Will someone in government rise and ask the Prime Minister to act like a real head of state?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, I am pleased to rise and proud to be part of the Prime Minister's government. We know that the environment and the economy go together. We are rebuilding trust in our environmental assessment processes. We also know that we need good projects to move forward. The former government could not do both of these things. It did not know how to do both, but we do.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): They certainly seem to have managed quite well, Mr. Speaker. Because of the changes they imposed on the industry, Canada lost energy east. Good job, guys, that is the opposite of what we needed.

We now have an urgent problem to deal with: two provinces are squabbling and all Canadians are going to pay the price. We need a real head of state, a Prime Minister who speaks on behalf of all Canadians in the interest of Canada's economy.

Will the Prime Minister finally act as a real head of state?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, our government will not be lectured by the former one. We know that the environment and the economy go hand in hand. We have restored confidence in the environmental assessment process. That was the cause of the polarization. That is why projects were not moving forward. It was because the former government did not know that the environment and the economy go hand in hand.

* * *

TAXATION

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, Turquoise Hill Resources, a Canadian mining company based in Vancouver avoids paying almost \$700 million in taxes here in Canada. As a result of this company's shell games, the government is losing \$700 million that could be used to fund our public infrastructure and services. However, instead of dealing with the problem, the government is lending the company \$1 billion to fund its overseas projects.

Does the government think that investing in companies that engage in aggressive tax avoidance is a good idea?

Hon. François-Philippe Champagne (Minister of International Trade, Lib.): Mr. Speaker, I am pleased to be part of a government that makes tax fairness a top priority. We have invested nearly \$1 billion in the Canada Revenue Agency precisely to fight tax evasion. I hope that the NDP will join us in taking the appropriate measures to crack down on tax evasion in Canada.

[*English*]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Mr. Speaker, let me recap the situation for the minister.

Turquoise Hill Resources is a mining company based in Vancouver. It made \$2.1 billion in profits and paid exactly zero in corporate income taxes in Canada. Instead, it declared those profits in Luxembourg, which employs one part-time employee. As far as I know, Vancouver is not in Luxembourg.

If a Canadian company does not feel Canadian enough to pay taxes here, why should it be Canadian enough to get loans and grants from the government?

• (1425)

Hon. François-Philippe Champagne (Minister of International Trade, Lib.): Mr. Speaker, let me restate the facts for my hon. colleague on the other side.

Oral Questions

This is the government that put tax fairness at the cornerstone of our actions. We invested more than \$800 million in the Canada Revenue Agency to fight tax evasion and tax avoidance. We would hope the member on the other side would join us in fighting tax evasion and tax avoidance in our country. That is what Canadians expect from us. That is what we are delivering.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Speaker, we are giving him a chance to join us today.

Last year, Parliament adopted a NDP motion on cracking down on the stock option tax deduction loophole that costs Canadians a billion dollars a year. Seventy-five of Canada's wealthiest CEOs pocket half-a-billion dollars alone on this giveaway. That is \$6 million each.

Meanwhile, Canadians lack affordable housing, pharmacare, child care, and drinkable water in hundreds of communities.

Will the Liberals join with us, keep their promise from 2015 and crack down on this loophole in the next budget?

Hon. François-Philippe Champagne (Minister of International Trade, Lib.): Mr. Speaker, it is not by asking the same question that they will get a different response. What I said was really clear. This is the government that has put tax fairness at the centre of our actions. We have invested more than \$800 million in the Canada Revenue Agency, because we believe in tax fairness and combatting tax evasion. This is what our government stands for, and I would hope the member on the other side would recognize that and work with us to make sure we eradicate that in Canada.

[Translation]

Mr. Peter Julian (New Westminster—Burnaby, NDP): Mr. Speaker, those were two different questions. This government does not really listen.

The Liberals promised to crack down on notorious tax havens, but instead they signed more agreements with them. This government is signing agreements with the Cook Islands, Antigua and Barbuda, and Grenada. It is the same agreement, word for word, for all of them. That is shameful.

Why are the Liberals signing new agreements with tax havens when they promised to address that inequality and loss of money?

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, our government is committed to fighting tax evasion and aggressive tax avoidance. That is why we invested nearly \$1 billion in our last two budgets. The Canada Revenue Agency is now able to assess the risk of all large multinational corporations each year. Every year, it reviews every transaction over \$10,000 in four regions that are deemed high-risk. The first two are the Isle of Man and Guernsey.

As far as offshore compliance is concerned, on December 31, 2017, the CRA audited 1,090 taxpayers and launched criminal investigations in nearly 42 cases of tax evasion.

[English]

ETHICS

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, last night, after the Prime Minister left the country yet again, his entire Liberal caucus, instead of defending ethical standards and the taxpayer dollars, defended the Prime Minister with their shameful vote. Now Liberal MPs are not only whipped by their boss but are complicit in condoning breaking the law without any consequences.

I have a simple question for the Liberals, if they could answer us and maybe their constituents. Just what was it about yesterday's motion that they disagreed with? What did they disagree with in that motion?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, as has been said on numerous occasions, immediately after the report was released, the Prime Minister accepted responsibility and accepted the findings of the report.

What has also been articulated many times, and what the ex-commissioner has recognized, is that these expenses were part of the role of the Prime Minister and were incurred as part of the role of the Prime Minister, as has been the case for previous prime ministers.

When it comes to our security agencies, they make recommendations. We take their advice, we take their expertise, and we will continue to do so.

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, no other prime minister has broken the ethics code and he incurred taxpayer dollars while doing it.

Other members of Parliament, Liberals, in fact, have repaid thousands of dollars when they broke the rules. The only one who does not seem to have to live up to the standard of having consequences for his actions seems to be the Prime Minister. Canadians are left wondering if this is yet another example of a very bad joke by the Prime Minister, this time played on all Canadians.

Why does the Prime Minister act like he is above the law?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, once again, as I have said on numerous occasions, as has been the case for previous prime ministers and is the case for this Prime Minister, whenever and wherever the Prime Minister travels, there are costs related to his security. Security agencies make recommendations. We take their expert advice, and will continue to do so.

It was the Conservatives who demanded an investigation.

● (1430)

Hon. Ed Fast: The Prime Minister acted unethically.

Hon. Bardish Chagger: Now that the ex-commissioner has released her report, they refuse to accept its conclusions. We, on this side, will accept its conclusions. The Prime Minister has accepted responsibility and we thank the commissioner for doing the important work she did.

Oral Questions

The Speaker: Order, please. I think probably the hon. member for Abbotsford has heard me say on previous occasions that members will hear things they do not like sometimes, that they really should not interrupt, and that they should wait for their turn to speak.

The hon. member for Richmond—Arthabaska.

[*Translation*]

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, the Liberals voted against the following motion yesterday:

That, in the opinion of the House, when any Member violates the Conflict of Interest Act, including accepting gifts or hospitality (section 11), furthering private interests (section 21), being in a conflict of interest (section 5), and accepting travel (section 12), or violates the Conflict of Interest Code for Members of the House of Commons, and, in so doing, incurs a cost upon the taxpayer, that Member must repay those costs to the taxpayer.

Can the Prime Minister tell us exactly which part of the motion he does not agree with?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, I just said this in English, but I will repeat it in French.

We always accept the advice of our security agencies as to how to best ensure the safety of the Prime Minister. The former commissioner of conflict of interest and ethics acknowledged that these costs were incurred as part of the role of the Prime Minister, as has been the case for former prime ministers.

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Mr. Speaker, I do not believe that my colleague listened to the question, because she played the same tape, using the same speaking notes that she has been using for two weeks.

By voting down the motion last night, all Liberal members aided and abetted the Prime Minister and were complicit in his trip to a billionaire's private island with Liberal Party friends and an MP, which cost taxpayers more than \$200,000.

Therefore, I will calmly ask the Leader of the Government my question again given that the Prime Minister has not wanted to answer for two weeks: what part of the motion did the Prime Minister disagree with so much that he made his entire caucus vote it down?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, as I have said many times, it was the opposition that asked the former commissioner to investigate, and now that her investigation is concluded and her report tabled, the opposition refuses to accept the recommendations. On this side of the House, we have accepted the recommendations and the Prime Minister has taken responsibility.

As acknowledged by the former commissioner, these costs were incurred as part of the role of the Prime Minister and we accept the security agencies' recommendations.

[*English*]

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, yesterday, Liberal MPs were given the opportunity to stand up for the law and stand up for Canadian taxpayers, and they failed miserably. One by one, they stood to vote against our motion, which

demanding integrity and responsibility from politicians. The motion said that when politicians broke the law and cost taxpayers money, they had to pay taxpayers back.

Which part of that did the Liberals disagree with, the part about obeying the law or the part about paying back taxpayers when they break it?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, there was quite the debate that took place in the House yesterday. The opposition, which has a limited number of opposition days to raise issues of importance to Canadians, chose to raise an issue that is important to Conservatives.

We on this side will continue to focus on Canadians. As we know, this Prime Minister and this government will focus on making sure that there is an economy that works for Canadians. We will make sure that veterans have the resources they need and deserve. We will make sure that the immigration system is working to reunite families and bring them together. As the Conservatives continue to focus on this Prime Minister and this government, this government and this Prime Minister will focus on Canadians.

Mr. Mark Strahl (Chilliwack—Hope, CPC): Mr. Speaker, on this side of the House, we believe in respecting the law and respecting taxpayers. The Prime Minister is guilty of breaking the law by accepting illegal gifts, guilty of accepting a ride on a private aircraft, guilty of arranging his affairs improperly, and guilty of conducting illegal discussions about government business. His illegal trip cost taxpayers hundreds of thousands of dollars. He has refused to pay back the money.

Why do the Liberals believe that it is the taxpayers who should pay, when they are the ones who break the law?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): That is peculiar, Mr. Speaker, because immediately after the report was released, it was this Prime Minister who accepted responsibility, and it was this government that accepted the findings. The Conservatives were the party that chose and demanded that the ex-commissioner investigate. Now that she has finished her investigation and submitted the report, they refuse to accept its conclusions.

We on this side of the House will always respect the work of our officers of Parliament. We on this side of the House will always accept the advice of our security agencies. That is what Canadians expect.

Oral Questions

●(1435)

THE ENVIRONMENT

Ms. Linda Duncan (Edmonton Strathcona, NDP): Mr. Speaker, Canadians have been waiting two long years for the Liberals to deliver on their promise of a strengthened environmental assessment process. There are two adjectives we can apply to the proposed new regime: discretionary and uncertainty. Will a project require an assessment? We cannot know, for a myriad of reasons. The list of projects is eventually developed by regulation. Will the minister hold one if the public is concerned? We do not know. Will there be a joint federal-provincial review, or will the minister merely pass the whole thing to the provinces and let them deal with indigenous concerns? What is the answer?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, I have two words to describe what we announced today: better rules. We understand that we need to have a process to review major projects that is based on good science and indigenous traditional knowledge, that we need to be consulting with Canadians, that we need to be working in partnership with indigenous peoples, and that we need good projects to be able to go ahead in a timely fashion. That is exactly what we announced today.

In terms of the project list, we are not just going to develop it ourselves. We are actually going to listen to Canadians, because we need to make sure that the projects being reviewed are those that have a significant impact on the environment and that Canadians have a clear chance to weigh in.

[*Translation*]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Mr. Speaker, 28 months ago, the Liberals promised to fix the environmental assessment process, by “[ending] the practice of having federal Ministers interfere in the environmental assessment process”.

Today we learned that, under clause 17 of her bill, the Minister of the Environment has the power not to move forward with an assessment. The minister claims to want to regain the public's trust with this new process, but she is breaking her promise.

How are Canadians supposed to trust her if she is giving herself the power to end any environmental assessment?

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, I am so proud that we have done what we said we were going to do. We have a new environmental assessment process that will earn us Canadians' trust. Indeed, Canadians want us to make decisions based on science, evidence, and indigenous knowledge. They want us to listen to Canadians' concerns. They want us to work with indigenous peoples and they want us to be able to give good projects the green light. That is what we are doing today.

* * *

[*English*]**ETHICS**

Hon. Peter Kent (Thornhill, CPC): Mr. Speaker, the new Ethics Commissioner, at committee today, made it clear that he would like to see the Conflict of Interest Act reformed to give him powers to

apply meaningful monetary penalties against those who are guilty of serious violations of the act. Commissioner Dion also said that he could use new powers to compel an offending member to repay the reasonable value of an illegal gift. One can only guess what that would be with regard to the lavish hospitality value accepted by the Prime Minister for his illegal vacation, but in the meantime, the PM can still do the right thing and just pay it back.

Hon. Scott Brison (President of the Treasury Board, Lib.): Mr. Speaker, we appreciate the advice and counsel of Mr. Dion. In fact, we respect our officers of Parliament, and we always appreciate their advice. We look forward to working with the commissioner and to working with Parliament to continue to raise the bar on transparency and accountability as a government.

[*Translation*]

Mr. Jacques Gourde (Lévis—Lotbinière, CPC): Mr. Speaker, the motion we moved on February 2 had the same effect as the report tabled by the former ethics commissioner. It seems that as far as the Prime Minister is concerned, it went in one ear and out the other since he voted against the motion.

We know for sure that there were no exceptional circumstances in the case of the Prime Minister's family vacation, nor was it a matter of national interest.

Can the Prime Minister tell us whether he disagrees with section 12 of the report, which calls for him to reimburse Canadian taxpayers for the trip with his own money?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, as I have said many times, the former commissioner recognized that these costs were incurred as part of the role of the Prime Minister. As is the case for former prime ministers and the current Prime Minister, no matter where or when a prime minister travels, there are security costs involved. We will continue to seek advice from security officers.

●(1440)

[*English*]

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, Mary Dawson conducted a year-long investigation on the Prime Minister's free vacation from a registered lobbyist that cost taxpayers \$200,000. Her findings in the report are clear: the Prime Minister broke the law by violating four sections of the act. Last night, every Liberal voted against the motion that would require MPs who break ethics and conflict of interest laws to pay the money back. It means that the new norm for the Liberals is that they have no problem accepting gifts or trips from lobbyists, no matter the cost to taxpayers. Have they no shame?

Oral Questions

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, as I have said, on this side of the House we respect officers of Parliament, and we respect the work they do. It was the Conservatives who demanded that the commissioner investigate. The commissioner investigated. She released a report, and now the Conservatives refuse to accept its conclusions. We on this side have accepted its findings. The Prime Minister has accepted responsibility. We will continue to work with the Office of the Conflict of Interest and Ethics Commissioner to ensure that all recommendations are followed.

Mr. John Brassard (Barrie—Innisfil, CPC): Mr. Speaker, here is what voting against the motion means: that the heritage minister can fly off on an all-expenses-paid vacation with Netflix; the finance minister can go to a private Barbados villa with Bay Street executives; and the industry minister can be wine and dined, showered with lavish gifts, by a Chinese Communist Party company looking to buy Canadian companies. All of this can happen with no consequences now. Why can the Liberals not see how illegal, how immoral, how unethical, how corrupt this is?

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, as I have said on numerous occasions, immediately after the report was released, the Prime Minister accepted responsibility and accepted the report's findings. What is clear is exactly what the Conservatives did in 10 years in government undermining officers of Parliament. Now they have been booted to the opposition, and they continue to do so. We on this side respect officers of Parliament. We respect the work they do, and we accept their findings, as has been the case on numerous occasions.

* * *

[Translation]

EMPLOYMENT INSURANCE

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Mr. Speaker, the Social Security Tribunal of Canada is a real disaster. Some unemployed workers have had to wait more than a year for a hearing. The KPMG report shows that the tribunal is much more expensive and takes on average five times longer than the old system.

Groups that advocate for the unemployed are calling for a return to the three member panel. The Liberals promised to take action, but unemployed workers are still waiting.

When will the government keep its promise and reform the EI appeal process?

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, I thank my colleague for giving me an opportunity to talk about how important it is to have a justice system that functions, that respects the basic principles of natural justice, that ensures an effective and rapid system, and that meets the needs of our most vulnerable citizens.

We received a very clear report explaining the fundamental reason that tribunal is not functioning as it should. It was put in place in a misguided way in order to achieve misguided financial goals. We

will solve the problem by working closely with the unions, entrepreneurs, and the Canada Employment Insurance Commission.

[English]

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): Mr. Speaker, reports are not going to cut it. It has been two years since we knew that the social security tribunal system was broken. The Conservatives broke the system, and the Liberals have done nothing to fix it. Liberal, Tory, same old story. Workers are suffering, and the government is doing nothing to alleviate those concerns.

When will the Liberals fix the system, leave the reports aside, and actually act on what is in the report to finally show respect to Canadian workers and fix this broken EI system?

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, the EI system needs to be fair. What we have now is a tribunal that does not work. It is too slow. It is unfair. It is complex. It is a source of justice denial. We will correct that system, as we have told employers and unions in the last month. We know that we will be able to depend on, rely on, and build on their support. We look forward to the very important work we need to do.

* * *

● (1445)

IMMIGRATION, REFUGEES AND CITIZENSHIP

Mr. Sukh Dhaliwal (Surrey—Newton, Lib.): Mr. Speaker, there have been recent media reports that IRCC may consider eliminating a pathway to permanent residency for caregivers. These reports are worrying those who are providing service to our seniors and children with medical needs. Can the minister please reassure this House and caregivers of our government's position when it comes to a pathway to permanent residency for caregivers?

Hon. Ahmed Hussen (Minister of Immigration, Refugees and Citizenship, Lib.): Mr. Speaker, caregivers provide an invaluable service for Canadian families.

Let me be clear. Our government will continue to ensure a pathway for permanent residency for caregivers. In fact, we are conducting an assessment of the existing programs to improve them.

Our government slashed wait times for caregivers from up to seven years under the previous government to 12 months under our government, and there is more good news. The existing cases under the live-in caregiver program will be eliminated by the end of this year.

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CANADIAN ARMED FORCES

Hon. Rob Nicholson (Niagara Falls, CPC): Mr. Speaker, CTV has reported that the government is trying to kill a class action law suit that alleges sexual misconduct and gender discrimination within the Canadian Armed Forces. Frankly, I find this quite disturbing.

Oral Questions

Can the Prime Minister explain why his self-proclaimed feminist government is trying to silence women who are coming forward with such serious allegations?

Hon. Jody Wilson-Raybould (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, to be clear, everybody deserves an environment that is safe and free from harassment and discrimination. I share the concerns the Prime Minister expressed yesterday with respect to this case. I am looking into the pleadings to ensure that they are consistent with the values of our government, and I will provide my advice as Attorney General to the Prime Minister on this.

I have full confidence in the Minister of National Defence to manage his litigation files. While I will not comment on the specifics of this case, it is my goal as Attorney General to ensure that, when appropriate, we can settle these cases that are in the public interest.

[*Translation*]

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, the Prime Minister enjoys making grandiose statements that he knows will make him look good, such as when he apologized to certain groups. However, when it comes to protecting Canadians from abuse and harassment, he comes up with all kinds of excuses and does nothing.

Will he do the right thing once and for all and apologize to our military personnel for dishonouring them by refusing to protect them from all forms of workplace harassment?

[*English*]

Hon. Harjit S. Sajjan (Minister of National Defence, Lib.): Mr. Speaker, as I stated yesterday, and I will be very clear on this matter, inappropriate sexual behaviour of any kind is completely unacceptable and will not be tolerated in the Canadian Armed Forces. Every person who willingly serves their country deserves to have a professional environment to be able to grow and serve.

We have more work to do, and we are going to get it done.

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VETERANS AFFAIRS

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Mr. Speaker, the Prime Minister promised veterans that they would never have to fight his government in court. We now know that this is false. Standing before a veteran who gave so much for his country, the Prime Minister cold-heartedly stated that, unfortunately, he and his fellow veterans were asking for too much.

The Prime Minister can afford to fly all over the world, meeting and greeting, dining and wining—well not whining; he whines at home—with the world's elite, but when it comes to our veterans, there is nothing left in the bank account. When will the Prime Minister show some real leadership and give our veterans what they deserve?

Mrs. Sherry Romanado (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, we are committed to the well-being of veterans and their families. We have delivered on our promise for a pension-for-life option, a plan designed to help veterans live a full and productive life post-service. The new pension-for-life option is monthly, tax-free, and is payment for life. It provides income

replacement payable to 90% of a veteran's pre-release salary indexed annually for life for those who need it.

The Conservatives had 10 years to make the changes necessary to support veterans and they did nothing.

[*Translation*]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, on page 49 of his campaign platform, the Prime Minister promised that he would not take our veterans to court, but now that is just another broken promise. He even went so far as to insult them by saying they are asking too much of his government. When the member for Louis-Hébert says that he does not like my asking questions about this, that suggests the government is on the defensive. Canadians now know that the Prime Minister is not a credible or trustworthy leader.

Why is the Prime Minister breaking his promise not to take veterans to court?

• (1450)

Mrs. Sherry Romanado (Parliamentary Secretary to the Minister of Veterans Affairs and Associate Minister of National Defence, Lib.): Mr. Speaker, Canadian Armed Forces members and veterans deserve to know that we will support them if they become ill or injured.

As the member for Barrie—Innisfil pointed out, the Conservative government was out of touch with veterans and had lost much of their trust. After 10 years of Conservative government contempt, veterans were disillusioned. That is why we have invested over \$10 billion. Veterans have been asking for change for a long time, and unlike the previous government, we kept our promise.

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FOREIGN AFFAIRS

Ms. Hélène Laverdière (Laurier—Sainte-Marie, NDP): Mr. Speaker, this morning, the International Criminal Court launched an investigation into crimes against humanity committed in the Philippines.

In regard to the sale agreement with the Philippines, can the minister confirm that her government excluded this contract from the arms export regulations?

How many similar contracts are being negotiated between the Canadian Commercial Corporation and other countries with terrible human rights records?

Hon. Chrystia Freeland (Minister of Foreign Affairs, Lib.): Mr. Speaker, we have received no application for an export permit related to this contract.

The Prime Minister and I have been very clear about the Duterte regime's human rights violations and extrajudicial killings.

I will conduct an extremely rigorous human rights analysis of any potential export permit application related to this contract. I have the power to deny a permit if I feel it poses a risk to human rights, and I am prepared to do so.

Oral Questions

[English]

NATURAL RESOURCES

Mr. Kennedy Stewart (Burnaby South, NDP): Mr. Speaker, thousands of British Columbians put their bodies in front of Kinder Morgan's pipeline construction on Burnaby Mountain in 2014, with 125 being arrested. I stood with them as these people are my constituents.

We saw how disrespectfully the Prime Minister treats pipeline opponents during his town hall in Nanaimo last week. How many more people is the Prime Minister willing to arrest to force his pipeline through our beautiful province?

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, the decision we took on the Trans Mountain expansion project was the right decision and it is based on facts, evidence, and what is in the national interest. Last week, the Prime Minister was in both B.C. and Alberta and clearly stated his support for this very important project.

We look forward to working with every province and territory to ensure a strong future for Canadians, but the facts and evidence do not change. This project will diversify our export markets, be built on improved environmental safety, and ensure a strong future for all Canadians.

* * *

FOREIGN INVESTMENT

Hon. Tony Clement (Parry Sound—Muskoka, CPC): Mr. Speaker, again the Liberals are trying to pull the wool over Canadians' eyes by giving false assurances that all is well with China's takeover of construction giant Aecon. We know this Chinese-run company is rotten with corruption. We also know Aecon is involved with critical Canadian infrastructure projects in the hydro, nuclear, and military sectors.

I have a simple question. Will the minister commit in the House today to formally direct security agencies to undertake a full section 25 national security review and not just a perfunctory screening?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, we have been clear on this issue for many weeks. When it comes to national security, we never have compromised and never will compromise on that. Every single acquisition or transaction is subject to a national security screening. This is a multi-step process.

The advice that we will receive from our national security agencies will be followed. We always have followed their advice. We have faith in the advice that they give us. We will make sure that any decision that we make will advance the interests of all Canadians.

[Translation]

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, the Chinese company, CCCC International Holding Limited, has a bad reputation. The Chinese government-run corporation has been banned by the World Bank from bidding on construction projects for rigging bids in the Philippines.

This corporation is helping the Beijing government violate the law of the sea and now this same company wants to buy Aecon, a leading player in Canada's construction industry.

Why will this government not take the time it needs? Why is it in such a hurry to say yes?

● (1455)

[English]

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, as the minister responsible for the Investment Canada Act, we have a very thorough, robust, and rigorous process, a process that we will follow, a process that we have followed, and a process that will make sure that the outcome is in the best interest of all Canadians.

When it comes to national security, we will take the appropriate step and the advice from the national security advisers. When it comes to Canadians, we will always make sure that any decision we make will be in their best interest.

Mr. Tom Kmiec (Calgary Shepard, CPC): Mr. Speaker, the minister keeps doing this. He keeps referring to how robust, rigorous, and multi-staged the process will be.

Investment Canada data shows that only five of the more than 700 foreign takeovers in 2016-17 underwent a full-scale national security review. The minister claims all foreign takeovers face a national security review, when in fact most of them only go through the preliminary step.

If the minister trusts our national security agencies, like we all do on this side of the House, will he direct them to do the full in-depth national security review of the Aecon purchase?

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, we have been absolutely clear. We have full confidence in our national security agencies. We work with them. We take their advice, and we follow their advice.

What I find appalling and concerning is that the members opposite have no faith, no confidence in our national security agencies. We do. That is why we will continue to work with them in order to make a decision that is in the best national interest of all Canadians.

* * *

[Translation]

EMPLOYMENT

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Mr. Speaker, innovation changes the way we live and work. It creates new possibilities and new challenges for the people in my riding and across the country who need to support their families and to have a prosperous future.

*Oral Questions**[English]*

For adult learners in particular, like single moms supporting a family on their own or newcomers who are starting over, going back to school can be very daunting.

Would the minister tell the House what our government is doing to support adults who want to upgrade their skills?

Hon. Patty Hajdu (Minister of Employment, Workforce Development and Labour, Lib.): Mr. Speaker, I would like to thank my colleague from Pitt Meadows—Maple Ridge for his tireless advocacy for accessible education.

As someone who went back to school as a single mom with two kids, I know that adult learners face many barriers to accessing further education. That is why our government has launched skills boost, which is a new plan to give learners the support they need to succeed in the workforce. Through a new \$1,600 per year Canada student grant, and new flexibility for EI, going back to school will be within reach for 43,000 more Canadians.

Our government has Canadians covered no matter their circumstances.

* * *

CANADA REVENUE AGENCY

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, when the Canada Revenue Agency changed its policy on the taxation of employee discounts, the minister denied responsibility. When it went after disabled Canadians and single parents, she also denied responsibility. When the Auditor General reported that the agency's call centre is an unmitigated disaster, she denied responsibility.

We now know her executives received the highest average performance pay in the entire public sector. Will the minister, for once, accept responsibility for rewarding her executives for the failures of her agency, and explain why?

[Translation]

Hon. Diane Lebouthillier (Minister of National Revenue, Lib.): Mr. Speaker, our government ensures that it fully meets Canadians' expectations by relying on the vital support of a world-class public service.

The former Conservative government chose to let the quality of services to Canadians drop by handing out bonuses for cutting jobs. We believe, however, that executive performance measures must reflect government priorities to better serve Canadians. That means healthier, more diverse, and more inclusive work places. Executives do not receive bonuses if they do not meet the objectives established in accordance with the rules—

[English]

The Speaker: The hon. member for Windsor West.

* * *

FOREIGN INVESTMENT

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, a company owned by the Chinese government wants to take over Aecon, one of Canada's largest construction companies. This company's international record has been generously described as

problematic. Time and again, the Liberals and the Conservatives have threatened Canada's sovereignty by allowing the sale of local assets to foreign investors with links to foreign governments. In my riding, Aecon is shortlisted to build Canada's top infrastructure project, the Gordie Howe International Bridge to the United States.

What effects will this takeover have on the project? What does the United States think about Beijing controlling a company that runs the show on their soil?

● (1500)

Hon. Navdeep Bains (Minister of Innovation, Science and Economic Development, Lib.): Mr. Speaker, the member knows full well that I understand the concerns he has raised. I have answered this question in the House several times.

We have been very clear that, under the Investment Canada Act, the process is very thorough. It will examine both the economic benefits and national security elements of any acquisition that takes place. We will make sure we do our due diligence, that we are thoughtful about this. We will do our homework, and any decision outcome will be in the best interest of all Canadians.

* * *

PENSIONS

Hon. MaryAnn Mihychuk (Kildonan—St. Paul, Lib.): Mr. Speaker, Kildonan—St. Paul is home to one of Canada's largest senior populations. While seniors benefit our communities in so many ways, they also rely on benefits like CPP, old age security, and GIS to ensure they have the security that they have worked a lifetime to earn.

Could the minister responsible for seniors advise the House on what this government is doing to ensure our seniors are receiving all the benefits to which they are entitled?

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development, Lib.): Mr. Speaker, on behalf of all members in this House, I would like to congratulate the member for Kildonan—St. Paul for her strong advocacy on behalf of her constituents.

Our government is committed to helping more seniors get the benefits they deserve and that they expect. That is why I am so pleased to announce that automatic enrolment for the guaranteed income supplement is now in place since January, and is helping 17,000 vulnerable seniors access the GIS without having to apply. Not only is that making sure that more seniors get the benefits to which they are entitled, but it is also helping to reduce poverty in that very vulnerable part of our population.

Business of Supply

[Translation]

INFRASTRUCTURE

Mr. Joël Godin (Portneuf—Jacques-Cartier, CPC): Mr. Speaker, in November I wrote to the Minister of Infrastructure and Communities to ask why he was putting restrictions on the clean water and wastewater fund. This forces municipalities to rush projects, which ends up costing taxpayers more. It is now February, and I have yet to receive a response or even an acknowledgement of receipt.

Why are the Liberals getting in the way of municipalities? What do they have to gain? Instead of rushing these municipalities, will the minister work with them and give them ways to maximize taxpayer money?

[English]

Hon. Amarjeet Sohi (Minister of Infrastructure and Communities, Lib.): Mr. Speaker, our government understands that effective and efficient infrastructure is the foundation of building a strong economy, creating jobs for the middle class, and also building inclusive and welcoming places for all of us to live. We work very closely with the municipalities, and take pride in listening to them. I often listen to them. We have made changes to extend the deadline for wastewater projects and transit funding. This allows them to build the project in a way that meets their schedule, and we are very happy to work with them to extend this timeline.

* * *

[Translation]

FEDERAL-PROVINCIAL RELATIONS

Ms. Monique Pauzé (Repentigny, BQ): Mr. Speaker, the new Canadian energy regulator is essentially putting Hydro-Québec in third-party management. The government is prohibiting Hydro-Québec from installing or operating an international or inter-provincial electricity distribution line without its permission.

If, for example, Hydro-Québec wanted to move forward with its own Northern Pass project with New England, it would have to beg for permission from the federal government and abide by its conditions.

What right does the government have to impose federal dictates on Hydro-Québec?

[English]

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, with tighter timelines, better rules, more certainty for investors, and stronger environmental protections, our new approach to reviewing projects reflects our belief that we must work together to protect our environment and grow our economy to ensure a sustainable future for our children. We are building a better regulatory process that Canadians can have confidence in. Our new system will ensure good projects move forward to create good jobs and grow the economy. We will create a modern, predictable, and timely process that gets good projects built in a responsible, timely, and transparent way. Our legislation is for the—

[Translation]

The Speaker: Order. The hon. member for Repentigny.

Ms. Monique Pauzé (Repentigny, BQ): Mr. Speaker, this is serious, because the issue here is not the environment, but predatory federalism.

To quote the government, “The purpose of this Act is...to regulate trade in energy products”.

This is a takeover of Hydro-Québec by the federal government, period. It will be able to decide who can sell electricity, to whom, and under what conditions.

Do the federal Liberals realize that what they are doing is wresting from Quebec any control over its energy future?

● (1505)

Hon. Catherine McKenna (Minister of Environment and Climate Change, Lib.): Mr. Speaker, no. We recognize that there is provincial jurisdiction and federal jurisdiction.

When we make decisions or look at projects under federal jurisdiction, we will surely initiate a process. We respect Quebec and Hydro-Québec, but some projects have environmental impacts, and we will ensure a robust environmental assessment process.

* * *

[English]

BUSINESS OF THE HOUSE

Hon. Candice Bergen (Portage—Lisgar, CPC): Mr. Speaker, I would like to ask the government House leader if she could please tell the House what the business of the House will be for the remainder of this week and for the rest of next week?

[Translation]

Hon. Bardish Chagger (Leader of the Government in the House of Commons and Minister of Small Business and Tourism, Lib.): Mr. Speaker, this afternoon, we will continue our debate on the NDP opposition motion. Tomorrow, we will resume third reading debate of Bill C-50 on political financing.

[English]

Monday and Thursday of next week shall be allotted days. On Tuesday, we will start second reading debate on Bill C-68, the fisheries legislation. On Wednesday, we will call the environmental assessment bill, which was introduced this morning.

GOVERNMENT ORDERS

[English]

BUSINESS OF SUPPLY

OPPOSITION MOTION—TAX FAIRNESS IN BUDGET 2018

The House resumed consideration of the motion.

The Speaker: The hon. member for Cowichan—Malahat—Langford, as I recall, has two-and-a-half minutes remaining in questions and comments following his speech. He had just finished giving an answer to one question, so we will go on and see if there are any other questions or comments.

Business of Supply

The hon. parliamentary secretary to the government House leader.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Mr. Speaker, just picking up from this morning, we know the Government of Canada has been fairly aggressive in wanting to ensure that individuals trying to avoid paying taxes are in fact being pursued. In the last couple of years alone, the government has committed close to \$1 billion to recuperate the hundreds of millions, going well into the billions, of dollars individuals have not paid.

The government is progressively trying to get that money back. That involves everything from the engagement of Revenue Canada, our court system, and many other mechanisms, believing we are going to be able to recover that kind of money.

I am interested in the members thoughts on how important that aspect is in terms of just recovering taxes from individuals who have avoided paying taxes.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Mr. Speaker, we always applaud any kinds of efforts that are made in that regard. What I want to point out to the parliamentary secretary is that since the House of Commons passed the motion last year, the government has signed-on to tax information exchange agreements with Cook Islands, Antigua, Barbuda, and Grenada.

It means that the government's intentions in this regard are not really worth the paper they are written on, because it has just signed tax agreements with jurisdictions where Canadian companies can shelter their wealth and bring it back to Canada tax free. I do not think that is a very good example by which to lead. It shows a lack of sincerity on the government's part to really enforce these types of measures.

• (1510)

[*Translation*]

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Mr. Speaker, I am very pleased to speak today about tax fairness. I am proud to be a part of this government, which is doing a lot for tax fairness.

[*English*]

I am very happy to rise this afternoon to speak to the opposition day motion regarding tax fairness because our government's record after two years speaks for itself, and I am glad to comment on it.

First, in preparation for today's opposition motion, I went back and looked at our budgets for the last two years that we presented. I looked at budget 2016 and our platform to create a stronger middle class, which we are doing through the lowest unemployment rate over 40 years, and the fastest economic growth rate that we have seen in probably 10 or 15 years. A lot of great things are happening.

I looked at what was in budget 2016 and budget 2017 on tax fairness, on fighting tax avoidance, and on fighting tax evasion. If we look at budget 2016 and we take out some of the comments from there, it stated:

Canada and other members of the G20 and the Organisation for Economic Co-operation and Development (OECD) have worked together to develop recommendations aimed at addressing BEPS.

We joined our international profit partners to fight tax avoidance and tax evasion. As part of its commitment to protect the integrity of the Canadian tax base, the Government of Canada is acting on certain recommendations of the BEPS project.

Budget 2016 proposed new legislation to strengthen transfer pricing documentation by introducing country-by-country reporting for large multinational enterprises.

I wish to add that I will be splitting my time today with my hon. colleague and friend, the member for Davenport.

Second, the CRA is applying revised international guidance on transfer pricing by multinational enterprises, which provides an improved interpretation of the arm's length principle.

Third, Canada is participating in international work to develop multilateral instruments to streamline the implementation of treaty-related BEPS recommendations, including addressing treaty abuse.

We also enhanced domestic tax integrity. We looked at how high net worth individuals are using private corporations, or CCPCs, inappropriately to reduce or defer tax. To help address this, we put into place numerous measures in our first budget in 2016, including limiting the use of the multiplication of a small business tax credit, or the \$500,000 small business tax deduction.

That was done to ensure that all individuals are paying their fair share of taxes in this country, and to ensure that we have the revenues needed to pay for those programs that Canadians use day in and day out, and that Canadians value.

We also put into place measures to ensure that investment income derived from an associated corporation's active business is ineligible for the small business deduction in certain circumstances. We also closed tax loopholes that allowed private corporations to use a life insurance policy to distribute amounts tax free that would otherwise be taxable.

More measures were put in place in budget 2017, including an additional \$444 million for the CRA, so that it would have the tools and the resources to combat tax avoidance and tax evasion and, yes, to bring about tax fairness for all Canadians coast to coast to coast. This was on top of the first \$500 million we put in place.

In budget 2017, we estimated the CRA would be able to recover \$2.6 billion in additional federal revenues. The good work to recover those funds continues. Initial steps have been taken to prevent wealthy individuals from using private corporations to inappropriately reduce their tax payable. We closed tax loopholes on other measures. We have entered into agreements, and we introduced legislation that was passed in 2016 on BEPS. We have eliminated ineffective and inefficient tax measures, and we have also provided greater consistency in the tax treatment of similar types of income with other government priorities and current economic conditions.

Business of Supply

We have given the CRA the tools to fight tax avoidance and tax evasion, which the previous government across the aisle, cut. The former Conservative government actually cut funds from the CRA. It did not give them the tools and the resources the agency needed to do its job.

Thus, in two years, we have given the resources and invested the funds necessary for the CRA to do its job. It has increased verification activities. CRA has hired additional auditors and specialists with a focus on the underground economy, and developed robust business intelligence infrastructure, and risk assessment systems to target high risk international tax avoidance cases. Also, it has improved the quality of investigative work that targets criminal tax evaders.

• (1515)

Those are only small parts of the measures that were done in budget 2016 and budget 2017, both budgets aimed at strengthening the middle class and helping those working hard at joining the middle class. Our work is not done. We have done a lot more.

On tax fairness, we have cut the small business tax rate from 11% to 9%. When these measures are fully enacted, every business in Canada, from coast to coast to coast, will have a reduction in its taxes payable by \$7,500. That is \$7,500 businesses can use to invest in HR training, capital, equipment or to give raises to their workers.

We have cut middle-class taxes for nine million Canadians. Over five years, that is about \$25 billion in tax relief that will go to nine million Canadians, who work hard every day, so they will have more money to save, to invest, to spend on their kids, and so forth.

We have eliminated income splitting, which the prior government brought in. It was the most regressive form of taxation policy that only benefited the wealthiest in Canada. In fact, I do not know why the prior government introduced that measure because it was so regressive. It was so unfair to the majority of working Canadians across the country, to the majority of middle-class Canadians. We have eliminated that.

With that, we brought in the Canada child benefit, which benefits nine out of 10 Canadian families on average \$2,300 more per year. The CCB is tax free, it is simple, it is monthly, and it is helping to lift Canadians out of poverty. Most important, it is helping to lift Canadian children out of poverty. We should all be proud of that.

On the CCPC, we consulted with Canadians on how to make our tax system more efficient and more fair. After the summer consultations, we came back and tackled income sprinkling. This measure was used by certain high net worth individuals across the country, and it was unfair. It was allowing them to reduce their taxes payable to levels that were unfair to other Canadians and it was allowing two individuals with the same income to avoid and create a big differential.

Another thing we reversed was the TFSA. The prior government would have doubled the TFSA amount to \$10,000 when we knew the forgone revenue from that doubling would have impacted programs in the future, my children's program. We knew that the only individuals in Canada who could have afforded that \$10,000 a year would have been wealthy individuals. Fewer than 10% of

Canadians max out their TFSA at the \$5,500 level currently. Shame on the other side for bringing in that measure.

We strengthened the Canada pension plan. We enhanced it for future generations. In my riding alone, the guaranteed income supplement increase benefited over 2,000 of my most vulnerable seniors, up to \$800 each this year.

That is the good work our government is doing. That is the good work that Canadians elected us to do. We continue looking at ways to boost and to bring in tax fairness.

I am proud to say I that am the committee member on the finance committee. We invited our Minister of National Revenue to come to committee. I was the member on the finance committee who brought forward the motion to look at tax avoidance and tax evasion. I am proud of the work we did as committee members in producing a report that we brought forth to the national revenue minister and of the number of the recommendations within that report. In looking at the reply of the national revenue minister, a number of those recommendations have been fulfilled.

I am proud of what our government has done with regard to tax fairness. That is what our government is about. Those are the resources we have implemented in CRA.

Our record for offshore related files alone since the end of the year shows that the Canada Revenue Agency is conducting audits on more than 1,090 taxpayers and is criminally investigating more than 20 cases of tax evasion. The CRA, with the resources we have implemented, has the resources to risk assess 100% of large multinational corporations annually and is better able to identify those taxpayers who participate in aggressive tax avoidance schemes.

We have done a lot. We are co-operating with our partners internationally to tackle issues such as transfer pricing. We are co-operating on BEPS, which is coming into force. We are ensuring that CRA has the resources to tackle complex, multi-level cases of tax evasion. That is what a government does.

A government stands up for middle-class Canadians and working-class Canadians. We work very hard every day to ensure they have the resources to make a great living, to have a brighter future for their children, but also ensure all Canadians and all companies from coast to coast to coast are paying their fair share of taxes.

• (1520)

Mr. Peter Julian (New Westminster—Burnaby, NDP): Madam Speaker, I will ask the member a very specific question. Since he supports the intent of the NDP motion, does that mean he will be voting in favour of it next Tuesday to include these two measures in the budget for 2018?

Business of Supply

[Translation]

Mr. Francesco Sorbara: Madam Speaker, I thank the hon. member from British Columbia for his question. This is why our government is taking strict measures to fight tax evasion and aggressive tax avoidance.

They are funded through an investment of over \$1 billion in the 2016 and 2017 budgets. We are turning the Canada Revenue Agency into an organization that gets results for Canadians, especially when it comes time to provide a fair and equitable system of taxation.

That is what Canadians expect and that is what we will continue to do.

[English]

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, there is a lot of confusion here about what tax fairness is.

I appreciate my colleague outlining all of the measures the Liberals have taken, but let us take a quick look at those measures.

The Liberals talked about a middle-class tax break but it benefited mostly people who earned between \$50 and \$100 an hour. Anyone who earned \$23 an hour or less received nothing.

The Liberals talk about the small business tax cut. The Minister of Small Business and Tourism, who is also the government House leader, said a year ago that it was a great sound bite but it was not practical. The only reason the Liberals supported it was because they were in quicksand. In fact, they attacked small business. They went after Canadian-controlled companies, yet publicly traded companies did not get any of the same measures imposed on them.

We just want a simple answer. CEOs should not be getting a tax loophole that costs Canadians almost \$1 billion, while small business people and hard-working Canadians pay their fair share of taxes. The Liberals talk about spending a billion dollars, a billion dollars chasing who? Small business people and hard-working people. The loophole needs to be closed.

We need the member to tell us why the Liberals have not closed this loophole.

Mr. Francesco Sorbara: Madam Speaker, tax fairness is an essential pillar of all government. It was an essential pillar in the first budget in 2016 and also in budget 2017.

Tax fairness is a continuing pillar for our government to build a strong country and to build a strong middle class. We know that when the middle class works, our economy works.

With reference to my hon. colleague's comment about where the tax cut took place, nine million Canadians benefited from that tax cut. Under our tax system, the majority of those earning between zero and \$30,000 do not have any tax payable, because our tax system works through a number of tax credits and also through the exemption amount of up to \$13,000 or \$14,000. If the member studied that portion, he would know they do not have any tax payable, so a tax cut would not assist them.

We targeted a tax cut that benefited nine million Canadians, \$25 billion in tax relief. That has shown up in our economic results and that is benefiting our economy today and into tomorrow.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.): Madam Speaker, the conversation about tax fairness is truly a conversation about trust. The Liberals brought in a tax system, the one that we currently have, largely in the 1970s. Since that time, it has become incredibly complex, so now we are looking at putting in some significant measures around incentivizing people and the economy to have more money and other aspects to go after those who are evading and avoiding taxes. The conversation is really about the aggregate of all of those measures.

Could my hon. colleague tell us not each one of the specific measures but how all of those measures in conjunction with each other are making our system more fair and doing the right thing for the middle class in tax fairness?

● (1525)

Mr. Francesco Sorbara: Madam Speaker, when our government was elected, the pillar for one of our platform policies was tax fairness. We have been looking at the entire tax system to eliminate those measures that are inefficient, regressive, and do not benefit the majority of Canadians. Whether it is getting rid of income splitting that the previous government brought into place or whether it is limiting the \$500,000 business tax deduction that only benefited wealthy Canadians and was being used inappropriately by many businesses, we have done that.

We are growing our economy. Results show that to date 700,000 new jobs have been created since we formed government.

Ms. Julie Dzerowicz (Davenport, Lib.): Madam Speaker, it is an absolute pleasure for me to rise here today to speak to this opposition day motion on tax havens. As always, I am so happy to speak on behalf of the residents in Davenport, who I am so proud to represent.

As I was reminded recently by Davenport residents at a pre-budget consultation I held in November 2017, tax fairness and the federal government continuing to pursue those companies, organizations and individuals who avoid paying their fair share of taxes is a top priority for them. That is very important.

Canadians work hard to support their families and most do pay their fair share of taxes. In return, Canadians expect that the Government of Canada will work hard on their behalf to ensure that our tax system is responsive and fair and that the monies are spent on priorities important to Canadians.

I know we have heard this a number of times over the full day today, but it warrants repeating. Over the past two years, our government has taken concrete action to go after tax evaders with the historic investment of nearly \$1 billion in the combined budgets of 2016 and 2017. No other government has invested this much in the Canada Revenue Agency to crack down on tax evasion and combat tax avoidance.

We started in 2016 with an investment of \$444 million in the CRA to enhance its ability to detect, audit and combat tax evasion and avoidance. Because we saw much success, we invested an additional \$523.9 million over five years.

Business of Supply

As a result of this huge investment, our government has made significant progress in combatting offshore tax evasion and aggressive tax avoidance. I encourage all hon. members of the House to share with their constituents the progress that the Canada Revenue Agency has made in this area and the steps it will take going forward to ensure a more responsive and fair tax system for all Canadians.

Just last September, the Minister of National Revenue provided an update to all of us addressing the recommendations made by the House of Commons Standing Committee on Finance and the actions taken by the CRA on this front. It is an absolute pleasure for me to share with members some of the highlights of the CRA's results achieved between April 1, 2016 through to March 31, 2017: 335 cases were referred for criminal investigations; 123 search warrants were executed; 32 criminal charges were laid under the Income Tax Act, the Excise Tax Act and/or the Criminal Code; 37 convictions for tax evasion; \$10 million in court fines, 50.6 years of jail time were imposed; and more than 111,000 audits were completed, with a fiscal impact of \$12.5 billion yielded from audit activities.

While we expect to recover \$2.6 billion in revenue from the crackdown on tax evasion, this amount does not reflect the gain that is expected to be realized by our provinces and territories across Canada whose tax revenues will also increase as a result of federal action, investments and initiatives.

The issue of tax havens demonstrate quite clearly that tax cheating remains a significant global multi-billion dollar issue that transcends borders. Not only is Canada taking action at home, we are also playing a key role internationally.

I am happy to relay that Canada plays a key role in international intelligence when it comes to combatting overseas tax abuse. We share our information and we get information that helps us to track down evaders. With our partners in the G20, as well as with our partners that are part of the Organisation for Economic Co-operation and Development, Canada has been actively participating in the multilateral project on base erosion and profit shifting, also known as BEPS, which tackles international tax planning arrangements used by some multinational enterprises to inappropriately minimize their taxes. Just to remind everyone, Canada signed on to the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS in June 2017.

• (1530)

As part of Canada's choices under the multilateral convention, Canada will adopt BEPS standards including the treaty abuse rule. Our government is committed to working with international partners and is involved in initiatives to better tackle the issue of tax evasion and tax avoidance.

Canada is heavily engaged in an extensive array of tax treaty networks around the world, having signed onto 92 tax treaties and 22 tax information exchange agreements as of November 2016. In addition, in May 2016, Canada signed a multilateral competent authority agreement with its OECD and G20 partners to formalize the sharing of information contained in the country-by-country report, or CbCR. CbCR, together with the existing treaties and the BEPS project will provide Canada with more information to risk

assess taxpayers who may be aggressively avoiding or evading taxes offshore.

Given that our government is fully committed to fighting tax evasion and aggressive tax avoidance, we are establishing a new level of transparency to report results to Canadians. Just as a quick aside, I also co-hosted a joint pre-budget consultation with a number of my colleagues a few weeks ago and a number of those residents had actually attended the pre-budget consultation. Indeed, that verified that they are looking for transparency from the CRA. They want to see public results from the investment that the government, on behalf of all Canadians, is making to recoup taxes. They believe that with more transparency there will be more disincentives to those who may be thinking about using offshore tax havens to evade paying their fair share of taxes.

The Canada Revenue Agency has identified \$25 billion in fiscal impact from audit activities over the last two years. Almost two-thirds of this was from audits of international, large business, and aggressive tax planning activities. Fiscal impact by definition does not imply amounts collected, but amounts identified. For offshore-related files alone, as of December 31, 2017, the Canada Revenue Agency has been conducting audits on more than 1,090 taxpayers and is criminally investigating more than 20 cases of tax evasion. It will continue to apply penalties to all cases of serious tax non-compliance.

As mentioned, Canada is collaborating with international partners. We recognize this is crucial to identifying and taking action against those who are evading and avoiding paying their fair share. In fact, thanks to these actions, starting this year, Canada will be able to automatically exchange information with other countries to identify taxpayers with offshore accounts through the OECD's common reporting standard. Legislation was passed in December 2016 to implement the standard in Canada as of July 1, 2017. This allowed Canada to undertake a first exchange of information with other countries.

We have indeed started working with our international treaty partners to obtain information that may not currently be in the agency's possession, information that will help the government take compliance actions according to the information available in each case, including referrals to the CRA's criminal investigations unit and, where appropriate, the Public Prosecution Service of Canada for possible criminal prosecution.

I want to emphasize that the CRA does not depend on leaked lists such as the paradise papers or the Panama papers to tackle the issue of tax evasion and aggressive tax avoidance. Thanks to the government's investment in the CRA, by the time such a leak occurs, the agency is already well advanced in carrying out its work in identifying and pursuing those who are not paying their fair share.

Business of Supply

Our government's leadership and contribution to international best practices in this area is providing Canadians with a revenue agency that is a world-class tax and benefit administration. Canadians expect no less from us and we are delivering on our promises.

The CRA will continue to build on its capacity to detect and combat tax cheating and ensure that those who choose to break the law face the consequences. We will close in on any wealthy individuals or corporations that try to avoid paying their fair share of taxes and that drain resources away from the services that support and improve the lives of all Canadians.

• (1535)

Aggressive tax avoidance and tax evasion continue to be a concern, not only here in Canada but also abroad. Like most Canadians, I am frustrated to hear about individuals who try to avoid paying their fair share of taxes. As Canadians know, not only is it unfair and against the law but it robs the government of the revenues needed to deliver the programs on which Canadians have come to rely to improve their quality of life.

Hard-working Canadians who pay their fair share of taxes expect the government to do its part to crack down on tax cheating. This is what Canadians expect and this is what the government will deliver.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Madam Speaker, during the last two election campaigns, in both 2011 and 2015, the Liberals made a very clear promise to set a cap on how much could be claimed through the stock option deduction. In budgets 2016 and 2017, there were still no measures to tackle this specific problem. The Liberals' campaign platform even noted that this loophole was used primarily by an estimated 8,000 very high income Canadians, who deduct an average of \$400,000 from their taxable incomes via stock options.

I have two very clear questions for the hon. member. Why have the Liberals abandoned their promise thus far and does she think that this measure should be included in the 2018 budget?

Ms. Julie Dzerowicz: Madam Speaker, one of the key promises we made in the 2015 election was on tax fairness, and I am very proud that our government has taken a number of steps toward tax fairness. We have talked ad nauseam about the \$1 billion we have invested to go after tax evaders and tax cheats and all the international co-operation agreements we have signed globally to continue to combat tax evaders. We have also moved forward on tax fairness through the middle-class tax cut, changes to Canadian-controlled private corporations, changes to income splitting, the Canada child benefit, and the TFSA contribution limit. These are all steps that show that we consistently review the tax code, look at our measures, and do all we can to move toward tax fairness.

Ms. Jenny Kwan (Vancouver East, NDP): Madam Speaker, the member said she wants to ensure there are aggressive measures from the government to go after those who do not pay their fair share of taxes, like tax havens. Does she agree with the government's approach in creating additional tax haven treaties with the Cook Islands, Antigua and Barbuda, and Grenada? Is that consistent with the rhetoric that we hear from the government?

If she thinks that these loopholes should be closed, will she support the motion before her in the House today?

Ms. Julie Dzerowicz: Madam Speaker, never before has any other government invested as much money to go after tax evaders and tax avoiders. It is \$1 billion. That allows a significant amount of tools and enough resources to allow the CRA, working in conjunction with its international partners, to go after tax evaders around the world. I am very proud of the steps we have taken. I know we will continue to take more steps, because the issue of tax fairness and going after tax evaders is extremely important to all Canadians.

• (1540)

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Madam Speaker, how much of that \$1 billion was directed to offshore evaders as opposed to domestic tax evasion?

Ms. Julie Dzerowicz: Madam Speaker, that is an excellent question, but I do not know the answer. It is a great one and might be a great question for the Minister of Finance. He can rest assured that every single penny of that almost \$1 billion is going toward tax fairness and going after tax evaders.

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I will be splitting my time with the member for Vancouver East.

It is a huge honour to speak to the motion as the critic for small business and tourism and as the new critic for veterans affairs, and it is a huge honour to rise under that new portfolio for the first time. There are big steps to follow, certainly with the previous MPs who have led this fight on behalf of veterans. I want to take a moment to thank all our military and RCMP veterans and their families for their service and sacrifice. It is a huge honour to be asked by our leader Jagmeet Singh to take on this important file on behalf of Canada's NDP. I look forward to working with and serving our veterans and their families.

Today we are speaking to a motion that was brought on March 8, 2017, by the member for New Westminster—Burnaby. The motion today recalls that motion adopted March 8, 2017, which was supported by the government, and it asks the government to keep its election promise to cap the stock option deduction loophole and to take aggressive action to combat tax havens, and that the House call on the government to respect that resolution by ensuring both measures are included in budget 2018.

The government has yet to follow through with the motion that was adopted in the House. What we are doing today is again asking the government if it will support the motion in its upcoming budget in March 2018.

Business of Supply

Increasingly, we are seeing two worlds in Canada: the world for Canadians that is unaffordable, with people who are struggling with precarious work; and the other world with the elite, the well-connected, the wealthy, the people at the top, and the most powerful. The motion calls on the government to close tax loopholes for the rich. There are tax havens right now that are leaking, the greatest leakage in the Canadian economy, about \$11 billion a year. That is a lot of money. Just to put things into perspective, that is about \$325 million per riding in Canada.

I will touch on the CEO tax loophole option to start. I was on a plane and I talked to someone from the tech industry, one of the top CEOs of a great company here in Ottawa. I asked him if this incentive was the type that drew CEOs and talent to Canada to make us more competitive, and he said, "Actually, not at all." He supported my thoughts that when one has success, when one wins, when one's company is thriving and doing well, one does not mind paying a fair share to build this great country we live in. In fact, he talked about ways that would support the tech industry and CEOs in Canada's largest corporations with more investment in programs like SR and ED and economic development to help innovators and people trying to get started. It was great to hear from someone right there at the top, who could confirm with me that it was not going to take away our competitiveness, which has certainly been an argument from the other side.

When it comes to tax havens and tax fairness, the Liberal government says it is chasing tax cheats. In fact, the people who are using tax havens, the CEOs who are using tax loopholes, are using legal tax measures. We are actually asking the government not to go after tax cheats but to close the loopholes and move forward with legislation so that we can make sure everyone is paying their fair share. It is one thing to invest \$1 billion chasing people, but we cannot chase people who are using legal tax havens and legal tax loopholes. We are asking the government to follow through with its election promise and change these agreements to close the CEO tax loophole.

Through the Panama papers and the paradise papers, we have seen how many people are using these tax havens through some legal and some illegal measures. Recently, we learned of a Canadian mining company that has avoided paying over \$400 million in taxes, money that would go to social infrastructure to build a strong health country. It could help pay for many things we need here at home. In fact, there are a lot of companies that are now being set up by people who do not even live in Canada and are not Canadians. They are directors of companies in Canada doing business throughout the world. They are using tax havens to move their money offshore and are not paying their fair share of taxes in the country where they have set up and are doing business.

• (1545)

We have a lot of concerns about how tax havens are being used and the economic leakage they bring.

We hear the government talking about some of the tax fairness measures it has brought forward. It introduced a middle-class tax break. Earlier, one of the government members said that someone earning \$45,000 a year or less does not pay taxes. That is not true. We could talk to people in our country who earn \$45,000 a year and

tell them that they do not pay taxes and that there are all these tax breaks for them. They would say that this is not true. I hope they talk to their members of Parliament, if that is what they are saying.

When the government introduced its middle-class tax break, we learned that someone who earns about \$23 an hour, \$45,000 a year or less, got nothing. How is that a middle-class tax break? Someone who earns \$50 to \$100 an hour benefits the most. It is about a \$700 tax break. This is what the government is calling tax fairness, and it really concerns me.

This is not a way to help those who are not in the middle class join the middle class. In fact, it creates a bigger gap, a widening gap, between the wealthy, the well connected, and those who are struggling to make ends meet. People earning \$100,000 to \$200,000 a year who got that tax break actually do not think it is right either that someone who earns \$23 an hour or less got nothing.

Let us talk about tax fairness. The government has now imposed some limits and increased taxes for small business owners of Canadian companies, but it does not apply that to publicly traded companies. I have to ask why. Where is the fairness when the government talks about the small business tax system?

Why did it take two years to reduce taxes for small businesses from 11% to 9%, which was a campaign promise? We know why. It was not going to do it. The government was in quicksand over the rushed tax proposals it was going to impose on Canada's small business owners, and it was caught. The only way the government was going to save itself was by following through on a promise it had delayed for two years.

We see how the government is treating foreign companies doing business in our country, such as Netflix. They do not pay the same taxes Canadian companies pay. Where is the tax fairness?

Last year I asked the Minister of Environment and Climate Change when the government was going to remove subsidies for oil and gas companies, something the Liberals promised in the 2015 election. She said that the government had just started. That is not good enough, not when we have so many options and things we can do.

Business of Supply

The government is fighting first nations in court instead of changing legislation to close tax loopholes for CEOs and wealthy individuals. It is not collecting government money when it could be used. As I said, \$325 million per riding in this country is leaking through these tax havens and through CEO tax loopholes. It is money that could be going to salmon enhancement, when we have endangered species on the west coast. It is money that could be going to first nations communities that desperately need it. It is money that could be going to environmental protection; to clean energy programs, like the home energy retrofit program; to marine infrastructure; clean water; and return-to-work policies. We have 1.2 million Canadians who are not working who have been injured in the workplace. The government is not putting its time and energy into them. Instead it is protecting CEO stock option loopholes and tax havens and the rich.

The government could be spending that money, that \$11 billion a year, fighting climate change through some of the programs I have outlined. The government could be investing in pharmacare and making sure that people who are living on the street have a roof over their head.

The government could be investing in these proposals in communities and regions like mine. My community of Port Alberni has the highest poverty rate in British Columbia. We have been waiting for investments from Ottawa to come to our community to build on economic opportunities that have been presented to government. Instead, those economic opportunities have not been supported. The government is spending money elsewhere, such as on the \$8-million skating rink that no one in my riding is going to use.

The government is spending its time protecting CEOs and executives, who do not need a hand, and Canada's largest corporations and wealthiest individuals with tax havens. Like every other hard-working person, they should be paying their fair share of taxes. Instead, the government should be collecting that money and making sure that money is invested in communities like mine.

• (1550)

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.): Madam Speaker, I wonder if my hon. colleague could give us some insight into the actual numbers. He mentioned a bunch of numbers, but could he give us the value of the overall estimated tax liability being missed? What percentage of our overall tax revenue does it represent? How do we compare with other countries in terms of leakage or tax avoidance in foreign havens? Are we performing better or worse than our peers?

Mr. Gord Johns: Madam Speaker, I am not the finance minister or working for the government. The Liberals have access to that information to tell us exactly how much money is, in comparison, leaking from our economy.

However, \$11 billion is a lot of money. It is \$325 million per riding. When we divide 338 ridings by \$11 billion, that is a lot of money, and that could do a lot in a community like mine. Where I live, we have the highest poverty rate in British Columbia.

Why is the government protecting people on Bay Street, CEOs who can afford to pay their fair share, and Canada's largest corporations instead of investing in our communities? They should

be paying their fair share, just like people who go to work every day and pay their fair share of taxes, and just like small business people who struggle to make ends meet and employ people. The government needs to make sure that we all pay our fair share, and it is not doing that. By creating these tax havens, there is economic leakage. Protecting CEOs, people who do not need a tax break, is unfortunate.

The government made a commitment. It supported our motion in the House of Commons, but it has not followed through on its support of that motion.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, the comments the member opposite is making are truly amazing. One would think that NDP members had forgotten about their commitment to having a balanced budget.

The government is doing many of these things in a very progressive fashion, and the NDP consistently votes against them. For example, the member talked about small businesses. There was a small business tax cut, but of course, it was not done quickly enough. Nothing is quick enough for the NDP members. If they were in government, they would have done it yesterday, apparently. One can never do anything quickly enough to please the NDP. It is almost as if there is a pie in the sky and we wave a wand at all the problems.

A member earlier talked about tax agreements abroad allowing for more tax cheating. In fact, before we can get some of that tax money back, we have to give the Canada Revenue Agency the authority and have those tax agreements so we can track that money and get some of it back.

I wonder if the member could tell us if there is anything he believes the government could be doing that it is not doing.

An hon. member: Oh, oh!

The Assistant Deputy Speaker (Mrs. Carol Hughes): I would remind the member for New Westminster—Burnaby that he may have an opportunity to ask a question. I would hope that he can hold himself back long enough to be able to do that without interrupting other people who are already speaking.

The hon. member for Courtenay—Alberni.

Mr. Gord Johns: Madam Speaker, that is a lot to unpack.

To start with, \$11 billion would have done a lot to get closer to balancing the budget.

The government is on a spending spree. The Liberals are helping out their friends on Bay Street. They are careless in how they are managing their money. They talk about a middle-class tax break that cost \$3.2 billion. It benefited nine million Canadians in the upper threshold of the so-called middle class, but they forgot about 17.9 million Canadians.

Business of Supply

We could talk about tax fairness. We could talk about what \$11 billion could do and what we would do to at least achieve a better way of moving forward managing the finances of this country. We have done that. We have presented our ideas.

Certainly, this is a measure the government could do fairly quickly. It is important. This is not a measure that is important for economic growth for Canadians. It is only for the ultra-rich. It is misleading to be telling this side and Canadians that we need these tax agreements in place. Who are they for? We know who they are for. They are for the ultra-rich, the well connected, and Liberal insiders.

• (1555)

Ms. Jenny Kwan (Vancouver East, NDP): Madam Speaker, I am very pleased to rise in the House today to support the motion introduced by my colleague, the member for New Westminster—Burnaby.

Eleven months ago, government members voted in support of an NDP motion that recognized that the federal government was losing tens of billions of dollars annually to tax loopholes, deductions, and exemptions that mostly benefited the ultra-rich, and that the use of offshore tax havens was costing the government more than \$7 billion annually. Government members voted in support of the NDP's call to close those loopholes.

Almost a year later, where are we on the promise to act? Sadly, we are still losing more than \$7 billion annually due to offshore tax havens and nearly \$1 billion annually to the stock option deduction loophole. By continuing to refuse to tackle tax havens and tax loopholes, the Liberal government is showing us what its priorities really are. Those priorities are not everyday Canadians, or even our national heroes.

Breaking an election promise, the Liberals have refused to reinstate lifelong disability pensions for veterans. The Prime Minister even had the audacity to tell a wounded veteran in Edmonton last Monday that the government cannot afford to take care of the people who have sacrificed their health, their limbs, and their lives for our country. Worse still, in Vancouver, there are some 100 veterans who are homeless or at risk of becoming homeless. Housing is a basic human right that should be afforded to every single Canadian, especially those who have fought to protect our rights and freedoms.

On the topic of basic human rights, in B.C. right now there are 19 drinking water advisories in effect in 17 first nation communities. Three of them are do-not-consume advisories. That means that for those first nation communities, the water is not safe to use even after boiling. I would ask members of the House to imagine what that is like and ask themselves this question: do they find this acceptable, when Canada is one of the wealthiest countries in the world, or do they think that Canada can do better? Should we not use the billions of dollars of lost tax revenues from CEO stock options and tax havens to pay for these critical services?

This week, *The Hill Times*, as part of a series on constituency offices, profiled my staff and office in Vancouver East. Vancouver East is an incredibly diverse riding, with over 70 different languages spoken and an incredibly vocal group of activists who always keep me on my toes.

In the heart of my riding, in the Downtown Eastside, a person dies almost every other day from an overdose. It was estimated in December 2017 that the number of opioid-related deaths in Canada could exceed 4,000 for 2017, yet the federal government still refuses to acknowledge this crisis as a national health emergency. How is that possible?

The Downtown Eastside is the epicentre of Canada's opioid crisis. Front-line workers and first responders in my riding are struggling to keep up. Over the holiday season, I visited all the fire halls in my riding. Firefighters told me about the trauma they were experiencing in witnessing not just one person overdose during a shift but multiple overdoses. The impact of responding to these tragedies takes a toll, and our first responders deserve to be taken care of too. The former Minister of Health promised to provide resources for first responders, yet to date, there is nothing.

For the chronically addicted, no action has been taken to ensure that there is a full range of treatment options available to them. If the government had the courage to act, redirecting just a small portion of the lost revenues from offshore tax havens to programs to address the opioid crisis, it would save lives.

Similarly, it would mean that seniors and veterans struggling to pay for prescription medications and dental care would have the care they deserve. An aboriginal mother in my riding who has, over the years, donated hundreds of artworks and cedar weavings to local schools is skipping her cancer medications because she cannot afford them.

• (1600)

For the life of me I do not understand why the Liberals voted with every one of the Conservative members to reject the motion of the member for Vancouver Kingsway to begin negotiations for a universal pharmacare program. I do not believe that is what Canadians want from a government that promised real change. I believe Canadians think that we can do better.

Business of Supply

If loopholes for offshore tax havens were closed, many of the government's departments could use a boost in funding. Why? Processing delays continue to plague every government department. Let us look at immigration. People have to wait years to get a hearing with the IRB because there is a backlog of over 40,000 cases. Government phone lines, whether they are for IRCC, Service Canada or the CRA, are underfunded and understaffed. My constituents complain every day that they cannot get through to anyone on these phone lines. Last week a constituent called my office in tears because she could not get through to Service Canada to report her father's death and requested that our office call instead and relay this information on her behalf. The fact is that when the government chooses not to properly fund programs and services, people suffer, the real people in our communities, not the people who can go on vacation to a private island or who forget that they have a French villa.

It is not that our government does not have the tools for collecting money. The issue is who it wants to go after. My constituents tell me every day that our government is very good at collecting money. I have a constituent who makes an income of about \$4,000 a year from the sale of her art whose taxes have been sent to collection. The government has the tools in place to go after those individuals. I know another single mother whose child tax benefit is being held back because she cannot produce receipts to demonstrate that she has child care. She does not have child care because she cannot afford child care, yet her child tax benefits are being held back because of that. How does that make sense when we have these kinds of situations going on?

When we look at what the government is doing, it promised almost a year ago that it would go after the ultra rich, the top 1% of the income earners, to close these loopholes. Almost a year later not only has it not closed those loopholes, but it has signed more treaties with tax havens to allow for more advances on this front. Then we have the government members saying it was the only way they could establish a path to close those loopholes and go after those tax evaders. That is simply not true. If they had read the agreement, they would know that those new agreements indicate that it is entirely a path to ensure that they do not have to pay any Canadian taxes at all. It further legitimizes these kinds of tax-evasive manoeuvres. Frankly, it legalizes them and authorizes them to go forward.

When we are talking about tens of billions of dollars, imagine what that money could do in every single riding represented in this entire chamber. Imagine what that would mean for a family who could not afford to put food on the table, for people who are living from paycheque to paycheque, for people who suffer mental health challenges and all of a sudden find themselves on the street. Imagine what our Canada would look like if we made this change.

The government has said that it cannot do it, that it is doing so much already, and that the NDP is always demanding more. Of course we are demanding more. Who are we demanding this for? Why are we sitting in this place? I am sitting in this place because my constituents need their voices heard. They want Parliament to work for them, not for those who the government has said are the middle class and those working hard to try to get there, because the government is not really working for them. It is working for the fat cats. It is working for the people who have already made it.

That is not what this motion is about. This motion is about making change. Will the government have the courage to do that? If it does, it should show it in budget 2018.

• (1605)

Mr. Adam Vaughan (Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs), Lib.): Madam Speaker, I want to make it very clear that the priorities listed by my colleague across the way are shared on this side of the House. It is why the \$40 billion investment in housing has been produced. It is why we did not declare the opioid crisis a national crisis. Declaring it does not change the money put into it, but we invested into it, changed laws, made safe injection sites approval easier and faster. We delisted many of the drugs that are required to revive people when they overdose.

I share the analysis that going after tax evasion brings resources back to the country and allows us to spend it on things like the Canada child benefit and fix the water situation on reserves and traditional territories. These are all really good ideas and it is why this government is so heavily invested in producing results in them.

However, to get at those tax revenues that are hidden offshore, we need tax treaties. We need a legal framework in order to access the court system in other countries, so we need accords. When the NDP members say they do not want tax treaties, how would they access foreign courts without those treaties?

Mr. Peter Julian: Not subject to Canadian tax; that's what the agreement says. It exempts taxation.

The Assistant Deputy Speaker (Mrs. Carol Hughes): I want to remind the member for New Westminster—Burnaby to please refrain from yelling out. I am sure that he can attempt to get up and ask a question.

The hon. member for Vancouver East.

Ms. Jenny Kwan: Madam Speaker, if the member actually read the tax treaty agreement, he would know that the agreement would allow for the revenues to not be subject to Canadian taxes. That actually allows for and legalizes tax evasion.

The member says that they care so deeply and have done so much. Let me go back on that a little. On the issue around housing, let us remind the entire House that it was the federal Liberals who cancelled the national affordable housing program in 1993. As a result of that, this country lost more than half a million units of affordable housing that otherwise would be in our communities today.

By the way, with respect to the big fanfare that the Liberals announced about the national housing program, 90% of that funding will not flow until after the next election. As for people who are homeless today, they will have to wait until after the next election to find housing. We need action. The question is, will the government act?

Business of Supply

On the opioid crisis, the difference is that declaring a national health emergency would mean that the government would be obliged to act in every single community and not have people dying and family members and front-line workers who are struggling to deal with the issue on their own and begging for the government to step up.

An hon. member: Oh, oh!

The Assistant Deputy Speaker (Mrs. Carol Hughes): I also want to remind the hon. parliamentary secretary that he had an opportunity to ask a question and understood what I was saying to the member for New Westminster—Burnaby to wait, stand up, and ask a question as opposed to interrupting people while they are speaking.

The hon. member for Aurora—Oak Ridges—Richmond Hill.

Ms. Leona Alleslev (Aurora—Oak Ridges—Richmond Hill, Lib.): Madam Speaker, I did not hear an answer to my colleague's question, so I would like to give the member opposite one more opportunity to clarify for us. Does that mean that the NDP position is that the NDP is against having these tax treaties with other nations to be able to give us the opportunity to go after those tax evaders?

• (1610)

Ms. Jenny Kwan: Madam Speaker, this means that we want the government to do what it said it would do. The Liberals voted 11 months ago to close these tax loopholes. What did they do? They did nothing. They did not proceed with that.

Here is another chance. In this upcoming budget, maybe the government could for once do what it said it would do and close the tax loopholes, close the loopholes of tax havens, close the loopholes for CEO stock options. That would make a difference with real people, with real lives.

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Madam Speaker, it is a pleasure to rise and speak to today's opposition motion from the NDP.

[*Translation*]

I will be sharing my time with the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup.

[*English*]

It is always a pleasure to speak in the House. There is much in today's motion from the NDP. There is much sentiment behind it, for which I have much sympathy, and I may agree with some of the objectives; however, I am not going to be supporting it, and I am going to explain why.

It is a two-part motion. Part A talks about what the NDP characterizes as the loophole for stock option deduction. I do not agree that the ability to declare income from exercising stock options is a capital gain as opposed to income is a loophole. A loophole is something that is an unintended consequence or a runaround that one does to get around the intent of the law or a rule.

The existence of the ability to deduct exercised profits from stock options was a deliberate policy choice. It was not a loophole, something that people are sneaking around to do. It was a policy choice originally made for important reasons. It was designed to encourage entrepreneurialism. It was designed to encourage

Canadians—and not just Canadians; this is tax policy that exists in other countries as well—to go into business and be able to offer employees, or proprietors of a business, to defer compensation, to be able at the start-up stage of an enterprise to put all of the money that is available and all capital into getting the business off the ground.

When people agree to compensation by stock option, they are inherently taking on significant risk. If the enterprise fails, then there is no compensation. When a start-up company, particularly in the high-tech sector, is struggling to capitalize itself and struggling to compete for talent, being able to defer compensation through stock options is an important way for the company to more efficiently and effectively capitalize its business.

While indeed stock options are a common form of CEO compensation, they are also a common form of compensation not only in the high-tech business, but also in the resource sector, in mining, or oil and gas exploration. It allows companies to capitalize themselves without paying as much in salary compensation. It is often throughout the enterprise that stock options are available.

In my career in the mortgage business in Calgary, I saw many examples of decidedly non-CEOs and non-one percenters who earned compensation from stock options. Sometimes it is every person in the company who might be eligible for stock options. They have taken substantial risk by putting their personal compensation into the hands of the enterprise and its success.

It was a fairly deliberate decision to allow this, so it is not a loophole. I presume we will agree to disagree on whether it is a good thing and agree to disagree that the taxation should be treated differently, but I do not believe it is a loophole, nor is it correct to characterize it as such. I will not support the motion because I do not agree with that part of it.

Moving to part B of the motion, I agree. As a Conservative, and indeed as a Canadian citizen, I absolutely support the rule of law. I support ensuring that all Canadians follow the law, and that the Canada Revenue Agency follow the law and collect taxes from those Canadians who are not paying what they are required to under law. It is extremely important, especially in the self-reporting system, that Canadians all understand that following and obeying the law is important.

• (1615)

It is troubling to know there are people who deliberately subvert the law through offshore tax arrangements, and that in some cases Canadians are following the law but subverting its intent or spirit. Where that is the case, the law should indeed be changed as required.

We have heard a lot in this debate about tax fairness. We have heard it in speeches for the motion, and we have heard it from the government side. When we have heard those speaking from the government side of the aisle, it is quite troubling to hear some of the things that have been brought into the discussion, the patting on the back for a job well done. The speaker before the NDP talked about \$1 billion going into tax avoidance and evasion, but was unable to answer the question about how much of that was targeted to offshore evasion, which is the subject of the motion.

Business of Supply

The truth is that numbers like those of the expenditures of the agency have been thrown about repeatedly in debate in this House. The Minister of National Revenue's own department has revealed that much of this is quite misleading. In answers to questions from the NDP about recovering offshore evasion, we have heard about recovering 20 billion dollars' worth of taxes, and in fact budgeting that money. The minister's own department reveals that it believes that only a small fraction of that will ever be captured, and that most of the money under that number is really domestic taxes and not the foreign taxes that were the subject of that motion and of this motion, and many of the questions that have been raised.

The Liberals speak of fairness. What does tax fairness look like under the Liberals and this minister's Canada Revenue Agency? Is it tax fairness to target disabled Canadians by changing the documentation on the disability tax credit, on May 2, and then denying for months that anything has changed, even while the rate goes from an 80% acceptance rate to an 80% rejection rate?

Is it fairness to change the folio, which gives instruction to professional tax preparers, so that they tax the employee discounts for retail and restaurant workers, and then again blame it on the bureaucrats once it comes to light, saying that it was not actual government policy? Well, it was. It was published in the folio, and it came to the attention of Canadians only when the agency itself reported it to the media. Is going after low-wage workers tax fairness?

In one of the speeches earlier, we heard about targeting single parents. Is denying the child tax benefit to single moms and single dads tax fairness? It is not fairness to say to single parents that they have to hire a lawyer, prepare a separation agreement, go through all the work in a failed marriage or partnership to find the other parent and have him or her agree to it, submit it to the CRA, and then have the CRA again say that it is not good enough, that it is not acceptable evidence of being a single parent. We have heard these stories from MPs and their constituency offices. Targeting single parents, diabetics, and low-wage workers is not many people's idea of tax fairness.

We talked about all the additional money going to the Canada Revenue Agency. This money has been going in each year. We are in the third year of this government. Right now, there is an 18-month delay for appeals at the Canada Revenue Agency. If the agency improperly assesses someone and that person goes to appeal, the interest clock starts ticking, and there are 18 months of delay before the hearing takes place. Is that tax fairness?

● (1620)

We will not support the motion. I will leave it at that for questions and comments.

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, the member talked about the stock option loophole for CEOs not being a loophole. When there is a capital gain that is taxed at half the rate of regular income and 92% of that money is flowing to the richest Canadians, I would call it a loophole.

We heard the Prime Minister in Edmonton, in the member's home province of Alberta, last week tell a veteran, a veteran who had been promised pension benefits, which the government was not fulfilling,

that the government could not afford to pay the benefits that the Liberals promised. I have a really hard time with that.

CEOs are not paying their fair share of taxes. They are getting a tax break. They are paying half the tax of regular income. At the same time, the government is saying that it cannot fulfill the promises to the people who have paid the ultimate sacrifice, going to war for our country, serving our country.

I hope the member can speak to that.

Mr. Pat Kelly: Madam Speaker, I completely share the member's outrage over what happened in Edmonton. It was shameful. We will just have to agree to disagree on whether the deductions should exist.

I will grant the NDP members this. They have every right to be upset and to point out that this constitutes a broken promise. Whether I agree that it is bad policy or good policy to allow the deduction for stock options, the Liberals promised to make that change and they did not do it.

We can add that to the litany of broken promises that include broken promises to veterans, broken promises on the size of the deficit, broken promises on the return to surplus, and the list goes on. I share in the disappointment over a broken promise, and so do millions of Canadians.

Mr. Adam Vaughan (Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs), Lib.): Madam Speaker, first, I would like to correct the record. There is no obligation under the legislation or the program that requires people to get signed letters from spouses in order to receive the Canada child benefit if they are divorced. That is unequivocally, absolutely clear in the regulations. It is an option, where it is possible, but there are several other ways, including getting letters from lawyers, police, and clergy to support the claim.

I want Canadians listening at home to understand that the benefit does not require women to be in harm's way to receive a benefit to which they are entitled, and appropriately so. I think that needs to be clear. If people are being told that by Service Canada, it is wrong. Their MPs and our ministry will ensure they get the benefits they are entitled to in the safest way possible.

I am not going to correct all the rhetoric on this because I only have so much time. The NDP members have said that tax treaties are really bad, because tax treaties are used effectively to support tax shelters. While they clearly frame how foreign taxes and Canadian taxes are paid where there is a split jurisdiction, and there is reason to debate and be concerned about that and that is why the government has put \$1 billion into trying to find those dollars being illegally hidden, the issue is this. Tax treaties are also the legal framework by which we access other governments' legal systems, other governments' tax records, and other government's situations to ascertain exactly what the appropriate level of Canadian taxes should be paid.

Business of Supply

It is fair that there could be a debate about what kind of tax should be paid, but do you not agree that tax treaties are fundamental to the justice framework and the tax law structure in order to access taxes that may be or may not be being paid appropriately? Do you support tax treaties? Does your party support tax treaties?

• (1625)

The Assistant Deputy Speaker (Mrs. Carol Hughes): Again, I would like to remind the parliamentary secretary, who has had a lot of experience in the House, that he is to address the questions and comments to the Chair and not to individual members or parties.

The hon. member for Calgary Rocky Ridge.

Mr. Pat Kelly: Madam Speaker, I certainly do not disagree that there ought to be appropriate tax treaties. In my remarks, I did not criticize the existence of treaties. Indeed, treaties were signed under the previous government.

I will also point out that I do not think there was any need to correct any part of the record of what I said, because I made no representation of what the law said around separation agreements. I merely reported in my remarks that Canadians were being told this. They are being told that they need a separation agreement and then they are being told that they need even more than a separation agreement.

It is a disaster at CRA, and the member underscores my point. If Canadians cannot get the information they need, then it undermines what the law and the rules actually are.

[*Translation*]

Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC): Madam Speaker, I have been listening to the debate since this morning and I am pleased to rise in the House today to speak to the NDP's motion. However, I must warn my colleagues that we have already decided to vote against this motion for various reasons that I will try to explain. I would like to thank my colleague from New Westminster—Burnaby for moving this motion since it gives us an opportunity to debate issues that are important to Canadians and to discuss our response to and our concerns about this.

At first glance, the motion is a bit misleading because it combines two very separate issues. First, it deals with the taxation of stock options for business executives. Second, it deals with the matter of tax evasion, which we already know is a serious problem in Canada.

The first issue is stock options, which are a completely legal means of compensation under the Income Tax Act, a law that was passed by various former governments since it has been amended a number of times in the past. The purpose of this law is to allow the government to collect enough money to keep the government and the country running properly and to promote an entrepreneurial climate that will enhance the economic vitality of the country and by extension the quality of life of Canadians. That is very important.

The second issue is tax evasion, which is a major problem. All parties in the House recognize that this is an illegal practice. I think everyone agrees on that. Tax evasion flouts the obligation that all Canadians have to declare all of their earnings. If they do not, they may be subject to fines and even face criminal charges. That is what is happening in a number of cases across the country. The

government has high ambitions in that regard. I will talk more about that a little later.

Before speaking to both topics, I must protest against the NDP trying to force a vote by creating a false dichotomy: either you are with them, or you are with the bad guys. This is not a black and white issue; there are grey areas. Unfortunately, in this motion, it is either one or the other. As such, we will not be able to support it.

On the issue of tax credits for stock options, I must point out that this is an essential tool for start-ups, since not all of them can afford to pay big salaries to their employees. Offering shares is a way of rewarding all the owners to some degree by compensating for the income that they will not be earning, since they will need to regularly invest in the business. It is a type of compensation that depends entirely on the company's success.

I know of what I speak, even if my business is not listed on a stock exchange and I do not own any stocks. I have already played that game, but not anymore. As an entrepreneur, I know first-hand that starting a business can have very negative consequences on the family and on the business itself. There are ups and downs. I have owned a business for 25 years and I can say that it is not always easy to create and keep jobs, and what is even more challenging is to grow a business, which means taking risks. Business owners are the ones to bear those risks.

I am pleased to say that the top entrepreneurial city for 2017 was Rivière-du-Loup, in my riding. My region has a strong business climate, but it is not because small businesses are publicly traded or because these people are being paid in dividends through stock options, quite the contrary. Small businesses make up 90% of Canada's economy and not all small businesses are like those listed on an exchange and able to afford to provide stock options. Despite that, entrepreneurs like me are personally working hard to develop the local economy.

A lot of people are included in the middle class. Entrepreneurs starting up a business often find themselves in precarious situations, risking their own money and not having a stable income or a pension fund or employment insurance. It is a reality that I face and have faced in the past.

• (1630)

I can assure my colleagues that I have taken family risks for the good of my business, which is doing very well today. However, when I was starting out, that was not necessarily the case. Things were extremely challenging. Success is really not guaranteed.

According to Industry Canada, only 50% of small businesses make it through the first five years. Some will certainly be quite successful, but others will fail. The NDP takes issue with the fact that the sale of shares obtained through stock options is taxed at only 50% of the amount, but they also disregard the fact that many, if not half, of entrepreneurs will end up with stock that has no value.

Business of Supply

The reality of the stock market is that it is always fluctuating. Just a few minutes ago I saw on the Internet that the stock market lost 1,000 points today, following a 2,000-point loss last week. Over the course of four days, the stock market lost about 4% of its value, which also has an impact on stock options. It seems, then, that New Democrats are being misleading by trying to stir up resentment against the wealthy, who they claim are not doing their part.

Here are the facts. Anyone in Canada earning an average income of up to \$46,000 per year pays 15% in federal tax. That is actually closer to 11% because of the basic exemption on the first \$12,000. A member of the 1% who earns over \$230,000 annually pays 33% in federal tax on any amount over \$205,000. Even taking into account the current stock options credit, one percenters who risked everything to grow their business and then sell the shares they got instead of paycheques still have to pay a 16.5% federal tax when they sell those shares. That is in addition to corporate tax, which is 11% to 15% and would already have been paid. That is another tax the NDP would like to raise. Those people are already paying as much tax as Canadians earning an average income, if not more.

If the NDP were to eliminate the stock option credit, companies would no longer have this tool, which is essential in helping companies start up in Canada. This fact makes his motion completely unacceptable to us. What is worse, the tax increases that the NDP would enforce would make businesses flee to other countries, which brings us to the topic of tax evasion.

We think that the best way to combat tax evasion is to foster a competitive business climate in Canada, eliminating any temptation to look elsewhere. Yes, it is true that there are some unscrupulous people who are looking for ways to avoid their legal responsibility to declare all of their assets and foreign income. The parties in this House all agree that this is unacceptable. We expect that, no matter which government is in power, the Canada Revenue Agency will use its investigative and judicial powers to deter people from breaking the law. I encourage Canadians to speak out against all forms of tax evasion.

The CRA, under the leadership of the Minister of National Revenue, has proven itself to be absolutely incompetent in recent years in going after the bad people. The minister is constantly repeating the same answer, regardless of the question. She tells us that the government has invested \$1 billion in fighting tax evasion, and that it has recouped nearly \$25 billion. We know the story, but the fact remains that before Christmas, the minister was forced to apologize for having misled the House. She admitted that much-touted figure of \$25 billion was not based on the facts, and that she had quite obviously made it up.

The media is reporting that not one Canadian named in the paradise papers has been prosecuted so far, but we see that a troubling number of ordinary Canadians are falling victim to the CRA's excessively dogged determination. I am talking about single mothers who are being asked to pay back \$8,000 they received through the Canada child benefit either because the CRA did not believe that their children truly existed or because they thought that the mothers were no longer with their spouses. In an interview with Radio-Canada the taxpayers' ombudsman described the situation as problematic and criticized, as we have, the CRA for attacking the vulnerable.

In my riding, a company wanted to switch banks and an employee in charge of the company's finances made a transpositional error in the date and the company was penalized financially for that. The company has been around for 40 years and has always paid its taxes, but now it is being slapped with a \$3,000 bill, which is totally unacceptable. The CRA should target the right people. Unfortunately, that is currently not the case.

• (1635)

[*English*]

Mr. Gord Johns (Courtenay—Alberni, NDP): Madam Speaker, I want to thank my hon. colleague for his speech. As the critic for small business and tourism, I always love to hear entrepreneurs speak about business.

Certainly, it is an interesting place for the NDP and the Conservatives, because we do have some things in common. We support small business. We supported the small business tax reduction from 11% to 9%. We want to see people, the risk-takers especially, thrive. We want to see them have success and benefit from that success. However, where we differ is certainly around what we call a stock option loophole. The member says it is a capital gain for those who have taken the risk and are getting taxed at half the rate.

If 92% of this tax, this capital gain, is going to the wealthiest Canadians, maybe he can explain if he supports that there should be some changes. Clearly, the money is going to the wealthiest and not going to the backs of the small business people, the hard-working people in our country. I would like the member to elaborate a bit more on why he still supports this when 92% is going to the highest earners in our country.

Again, I have talked with CEOs. They are saying that this is not going to make or break whether they are going to do business in Canada. Programs like SR and ED and investments in innovation are what will make the difference.

[*Translation*]

Mr. Bernard Généreux: Madam Speaker, I thank my colleague for his question.

Obviously, looking at this, one might get the impression that only a small number of people, people or business owners, own stock options and are getting a lot of money from stock option deductions. It may seem appalling.

The fact is that, even with this motion, the government would be recovering only about \$1 billion. The New Democrats recently moved a motion regarding a universal pharmacare program for the entire country. They seem to believe that any money that is recovered could be used to pay for that program, but according to the parliamentary budget officer, pharmacare would cost about \$20 billion, so something does not add up.

Business of Supply

[English]

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, I appreciate that sense of entrepreneurship that the member across the way is referencing. Small businesses are the backbone of our economy. The minister responsible for small business has talked a great deal about it. In fact, since the very first budget, we talked to small businesses about what they wanted and their customers. It is one of the reasons we increased disposable income through the middle-class tax break, and just last year we announced the reduction of the small business tax. These are all positive things for small businesses.

Could my colleague provide some of his thoughts on the importance of having these tax treaties so that Revenue Canada has a better ability to be able to find out the kind of money that Canadians might be using offshore?

• (1640)

[Translation]

Mr. Bernard Génèreux: Madam Speaker, we cannot be against virtue.

It is obvious that part of the CRA's job is to collect money that is hidden in tax havens. Contrary to what the government says, it has raised taxes over the past two years. What is more, we, the Conservatives, planned to drop the small business tax rate from 11% to 9% before the Liberals came to power. When they took office, they said that they were only going to lower it to 10%, even though they promised to lower it to 9%. They went ahead with their original plan in the end, but other forms of taxes, such as payroll taxes and EI premiums, have gone up. The end result of all of these tax hikes on families and businesses is that everyone is paying more.

[English]

The Assistant Deputy Speaker (Mrs. Carol Hughes): Order. 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 Calgary Rocky Ridge, Taxation; the hon. member for Saanich—Gulf Islands, The Environment; and the hon. member for Drummond, Official Languages.

Mr. Don Davies (Vancouver Kingsway, NDP): Madam Speaker, it is a privilege to rise to speak in support of this motion moved by my colleague, the hon. member for New Westminster—Burnaby, which reads as follows:

That the House recall its resolution adopted March 8, 2017, which asked the government to keep its promise to cap the stock option deduction loophole and to take aggressive action to combat tax havens, and that the House call on the government to respect that vote by ensuring that both measures are included in Budget 2018.

I, on behalf of the good people of Vancouver Kingsway, rise to state my full support for the motion and urge all members of the House to support it. Frankly, reading the motion, it is going to be difficult to understand how any member of the House can vote against it, but we will see what happens when it comes to a vote.

From a general philosophical point of view, I want to start by saying that we as parliamentarians are elected by the people of our ridings to come here to Ottawa to pass laws for the governance of Canada. When we do so, a question that is with us every day is this:

what are the fundamental underlying principles and objectives and values that ought to come into play when we discharge those duties?

First and foremost, one of our most sacred obligations here as parliamentarians entrusted with the governance of our country is to make sure that the citizens of our country are safe and secure. Safety of course starts from a basic physical point of view. We want to make sure that every person in this country has the right to fully embrace the rights afforded by our Constitution and that are given in a free and democratic society such as Canada, and that they do so with their physical integrity completely intact.

At the same time, I do not think safety and security are limited just to the physical realm. I know that I, as a member of the New Democratic Party, come here with a very fundamental commitment to the concept that all citizens of this country also have a right to live their lives with a decent security of person, economically, socially, and culturally as well.

One of the fundamental issues in society and one of our fundamental obligations as parliamentarians is to pass laws and take measures that have, as their uppermost consideration, the welfare of our citizens. The ability of each individual in our country, every man, woman, and child, and people who identify in every expression in between, to achieve a decent standard of living is something that we as Canadians are proud of. We believe that every single person in this country should have a minimum standard of living as a feature of the dignity of living in a modern democratic advanced society.

At least we in the New Democratic Party understand the critical role that government plays in that. We wholly respect that the market is a critical part of our economy and delivers many things in an efficient and effective way that only the market can do. The full breadth of consumer items, the services that Canadians rely on, the innovation, creation, and production of all of the gamut of commodities and services and resources that Canadians treasure and that are a part and parcel of a modern economy in the 21st century are adequately provided by our market.

However, we in the New Democrats fundamentally understand that the market does not produce everything. There are some things that the market cannot do effectively or efficiently. It cannot produce housing for every single person. The market cannot make sure that every single child is educated in this country. I am not just saying that as a matter of philosophy. Anybody who understands history will know that left completely to the marketplace, which is motivated by the underlying profit criterion, capital will flow to where it is most profitably applied.

• (1645)

There are victims of that. There are people who, for various reasons, whether they are poor, disabled, or whether the vagaries of life's circumstances have put them in that place, are not able to prosper or compete, and they get left behind. That is where the role of government and the state come in. Most Canadians want a strong government that will fill in those gaps that the market cannot provide, and will help provide the standard of living that we want every single citizen in this country to achieve.

Business of Supply

The government provides health care, education, and social programs, things like employment insurance, to be a social safety net to catch people when, through no fault of their own, they find themselves out of work, whether by technological change or by business failure. Social programs include worker's compensation for workers who through no fault of their own get hurt at work and are unable to work any longer. Social programs assist them, so that they are not cast upon the heap of poverty. We as a society recognize that there has to be a safety net for people like that.

We as a country of immigrants, and I dare say everybody, other than the indigenous members of this House, can trace our roots to immigrants at one point or another who have received support of some type to integrate, because we recognize that people need some assistance to fully integrate into society. We recognize that this basic financial protection and standard of living we want for everyone in this country is actually a foundation that makes meaningful participation in our democracy possible.

People cannot fully exercise their rights as citizens in this country to pursue their dreams, careers, and participate in our democratic traditions if they do not have their fundamental needs met, things like basic housing, enough food, and basic clothing, the essential ingredients that make meaningful participation in our society possible.

The question then becomes, how does the government fund these programs? How much money must the government raise in order to adequately provide the funds to discharge those responsibilities that I think everybody in the New Democratic Party believes every citizen deserves? The second question is, how do we raise that money, and from whom? These raise fundamental questions as to why we are here as parliamentarians, and strike at the heart of government and what we do.

The motion here touches on those fundamental questions in the following way. It calls on the government to act on a promise it made to Canadians in the 2015 election, where the Prime Minister and other Liberal candidates, who ran for office, told the electors in their ridings that if they were elected, if they received the trust of those voters, that they would come to this place and address an issue of inequity in our tax system.

What they said they would do is close or cap the stock option loophole, and take aggressive action to combat tax havens. In keeping with this, once the Liberal government was elected, 2015 and 2016 passed with little or no action on those promises.

That led the New Democrats to move a motion last year, which was passed in this House on March 8, 2017, almost a full year ago. It asked the government to address tax loopholes that primarily benefit the wealthy, including keeping that Liberal campaign promise of closing the stock option deduction loophole. It also called on the government to crack down on the use of tax havens by tightening rules for shell companies, renegotiating tax treaties that let companies repatriate profits from tax havens to Canada tax free, and ending penalty free amnesty deals for individuals suspected of tax evasion.

I am going to stop there and talk about the broader context. We are seeing two worlds in Canada. The world for most Canadians is

becoming increasingly unaffordable. It involves more precarious work, and it is a harder place in which to get by.

• (1650)

In the riding I represent and come from, in Vancouver, an entire generation is unable to house themselves. Young people, students, young families, seniors, and middle-class families are being driven out of Vancouver and the Lower Mainland. They are being driven out of places like Victoria, and not because they want to. They have lived in these communities, made careers there, and had family there, but they are being driven out, because they cannot afford to locate any kind of housing that is affordable, whether to own or rent. That story is replicating itself in communities across the country, including the GTA and other places.

People in their 20s will say that with every year that passes it is increasingly difficult to find permanent, full-time jobs that have pensions and pay benefits, like people of my generation, once counted on as a matter of course. Instead, they are faced with part-time jobs, temporary jobs, jobs with no benefits, jobs that are, as we call them, precarious. This is the reality for people.

On a global scale, Oxfam released a study recently that said that 82% of the global wealth that was created last year went to the top 1%, and that fully 50%, half of the human beings walking on this earth, 3.5 billion human beings, received 0% of that wealth. Not only is there inequity in our society but the trend is getting worse.

The other world from the one I just described that most Canadians live in is one that could be described as an exclusive club for the wealthy, who get special access and are exempt from many of the rules the rest of Canadians play by. Tax avoidance and tax evasion by the rich undermine faith in our society and our democracy by starving social programs and public services. They send a message to ordinary citizens that the rules of the economic game do not work for them and are, in fact, rigged against them. I believe it will take strong political will to reverse the trend of rising inequality, which began decades ago, and has continued under both Conservative and Liberal governments.

Interestingly, the Liberals voted in favour of the motion that I spoke of that New Democrats moved in the House last March. Since then, not only have they failed to act on it but, increasingly, they have signed tax haven treaties with other countries like Cook Islands, Antigua, Barbuda, and Grenada. With the budget approaching, we think it is time for the Liberals to keep their promise.

I will throw out a few other statistics that describe the reality for people in Canada. By 11 a.m., on January 2, Canada's top paid CEOs had already earned what the average Canadian earns in a year. In other words, the top paid Canadian CEOs earn more in a day and a half than millions of hard-working Canadians will take home in a full year.

Business of Supply

Canada's top CEOs earn 200 times the average person's salary, which, incidentally, places Canada in a very rarified crowd that is way out of proportion to the gaps in other countries between the wealthiest and the poor. Two Canadian billionaires possess the same amount of wealth as 11 million Canadians. The top 20% of Canadians in 2016 owned 67% of all wealth or net worth in Canada, and over four million Canadians, including 1.15 million children, live in homes that struggle to put food on the table every day.

In light of this, Canada has a tax code that is full of loopholes, after decades of Conservative and Liberal stewardship of our tax system, that benefit Canada's wealthiest, but leave most hard-working Canadians behind.

The Liberals have failed to fix tax loopholes or address tax havens that primarily benefit the wealthy. The last time I checked, the working people in my riding did not have bank accounts in Luxembourg, Canary Islands, or Bahamas. Liberals are, instead, embracing former Prime Minister Harper's corporate tax approach, and are putting the private interests of their wealthy few ahead of everyday Canadians who are struggling to get ahead.

• (1655)

I will briefly mention a few facts about tax loopholes.

A study by the Canadian Centre for Policy Alternatives showed that 59 tax measures that mostly benefit people with above-average income levels cost the government more than \$100 billion in 2011 in foregone tax revenue. The wealth of the ultra-rich in Canada includes salaries, bonuses, share grants, and stock options, and those are aided by these loopholes. We now know these very people also aggressively lobbied the Liberal government to keep those loopholes in place, obviously so they could further grow and protect their wealth. One such loophole is the stock option deduction, which allows those that have stock options to have the revenue created by that stock option taxed at a highly preferential rate.

There was at one time a commission in this country that looked at tax fairness. I still remember the conclusion after it talked to many Canadians and examined our tax system as a whole. Its conclusion was this: a dollar is a dollar is a dollar. Its recommendation was that a dollar earned ought to be taxed the same way for everybody.

A worker who goes to work every day and puts in eight hours and gets paid by salary or by hourly wage at the end of the week gets taxed on that dollar. A CEO who works and makes a vastly increased income should have that income taxed in the same way that the worker does. That, however, is not the way the system works in this country. Instead, perversely, ironically, and most unjustly, people who make the most amount of money pay the least amount of tax on the money that they earned in these cases. That is what today's motion is calling on the government to fix.

In terms of tax havens, tax evasion, which is always illegal, involves the non-declaration or falsification of tax-related information in order to evade paying one's fair share of taxes. Tax avoidance, on the other hand, involves specific transactions to lower the amount of tax payable as a result of a technical reading or application of the law.

In this case, while it may be technically legal it goes against the spirit of Canada's tax laws for Canadians who are wealthy to use tax

havens, which are jurisdictions with very low tax rates or other tax incentives that are used to basically wash money that is earned in Canada so it is paid at a lower tax rate and then those profits are repatriated to our country. These are the kinds of mechanisms that are available to a small percentage of Canadians in this country and it starves the government of revenue that ought to be paid here, which would then be used to address those fundamental obligations that I described at the beginning of my speech.

What could we do with that money? The Liberal government has a policy choice here. It can continue to favour ultra-wealthy people and allow them to make use of these tax havens and tax loopholes to keep the bulk of that revenue for themselves, or it can close these loopholes. It can address these tax havens to make sure that income pays its legitimate fair share in Canada to the government. That will result in billions of dollars coming to the federal government that can then be used for other things.

From New Democrats' point of view, we would urge the government to do that and here is what we would urge the government to do with those billions of dollars. We could pay for a national pharmacare program. We could pay for a national dental care program. We could make sure that every family in this country has access to affordable, secure, quality day care for every single child. We could lower tuition rates for students in this country so that we make sure that the next generation of young people can achieve an education that is not only important for their dreams and aspirations but actually is the foundation of our economic growth.

We could implement what New Democrats have been calling for for a decade and that is a national housing program. The federal government could once again re-enter the housing field in this country and start to build tens of thousands of co-operative units, fund social housing for seniors, for young families, for low income individuals, for the special needs community. The federal government has been absent from housing in this country since 1992.

I want to conclude by talking about integrity in the process. The Liberals told Canadians that if they were elected they would close the stock option loophole in 2015. Now they are saying they will not do it.

An hon. member: No, we didn't.

Mr. Don Davies: I hear a member say they did not do it, Madam Speaker. Any Canadian can read the Liberal platform.

The Liberals said they would bring in electoral reform. When the government of Brian Mulroney took CMHC out of the social housing field, the Liberals promised Canadians in their little red book in 1993 that they would restore that and then they broke that promise. They broke it in 1993, 1997, 2001, 2004, and 2006.

Business of Supply

•(1700)

Here we are a generation later, and the federal government has been out of the social housing game for basically 25 years. The government's response is that it will get back into it, but the bulk of the money will flow in 2022.

It is time to put integrity back into politics. I am calling on the government to keep its promise and close this loophole.

Mr. Adam Vaughan (Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs), Lib.): Madam Speaker, the member opposite said that one of the things the NDP would use reclaimed tax dollars for was for the federal government to once again spend money on housing. I appreciate that. I was on the front lines protesting back in the early nineties when a Liberal Party cut transfers to the provinces and transferred authority to spend on housing to the provinces. Some provinces, like B.C. and Quebec, picked up the responsibility and invested in housing. Other provinces, Ontario in particular, did not.

However, I was also there when the federal government re-entered the housing market in 1997 with additional billions of dollars. More importantly, I ran for Parliament and was part of the government that two years ago doubled the amount of money going into homelessness and added \$4.8 billion for housing and now has put \$40 billion into housing. Those dollars are starting to flow this very year. I appreciate that the NDP members do not think that it is happening, and I cannot convince them that it is, but I can point to projects in Vancouver, where we were cutting ribbons, quite literally, last week, where federal dollars are being spent.

I have also heard it referenced that the NDP does not like the fact that it is a 10-year program. They think it comes after the next election. There are two years left in the mandate. It is a 10-year program. Eight years come after the next election. I cannot change that. Is the NDP really serious that they do not want multi-year funding for housing, that they want only short-term funding for housing, and that multi-year funding investments do not work?

Second to that, are the NDP also insistent that—

The Assistant Deputy Speaker (Mrs. Carol Hughes): I must allow others to ask questions.

The hon. member for Vancouver Kingsway.

Mr. Don Davies: Madam Speaker, I am really glad that my hon. colleague raised the issue of housing. I come from Vancouver, and I can tell members that there is a housing crisis in Vancouver. Words are cheap. Talk is cheap. To listen to my hon. colleague, things are going well, and the federal government is opening all these programs.

Come to Vancouver. What the member just described would be rejected by every single citizen who lives in the Lower Mainland. There are 2.2 million people who would say to that hon. member that he does not know what he is talking about. We have people in the city of Vancouver, in Burnaby, in Richmond, in North Vancouver, in Coquitlam, in Maple Ridge, and in Surrey who cannot buy a house anymore, because the average house costs \$1.6 million. The average one-bedroom apartment in Vancouver is \$1,500 to \$2,500. We have generations of people who are leaving Vancouver because they cannot live there. We have employers every day who are saying that

they cannot find workers to work in their enterprises because there is no place to house them. That is the reality in Vancouver.

For the hon. member to say to this House that the government is doing things about this and progress is being made, that absolutely is not the case. I think it is not the case in the GTA, either.

Come to Vancouver. I ask my hon. colleague to come to Vancouver to stand up in a public forum and tell the people of Vancouver how well the government is doing on housing. We will see what the response is.

•(1705)

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Madam Speaker, I overheard a Liberal member across the way mention that the promise to set a cap on stock options was not part of the Liberal platform, when, in fact, it actually was. We have a direct quote from the Liberal campaign booklet. The Liberals ran on that in 2011 and 2015. Furthermore, I remember the Liberal candidate in Cowichan—Malahat—Langford making that promise right alongside me.

I just wanted to set the record straight. This was a clear Liberal promise. They have broken it so far, and 2018 will be their chance to put it back in.

Going back to my colleague's speech, today's overall theme is injecting some fairness back into our tax system. If we look at the last several decades and the imbalance that now exists between what individuals pay in taxes and what corporations and the wealthy get away with, we are going down a trajectory that I think is going to be critically unstable for us as a country. If we allow wealth to continue to accumulate at the upper echelons of our society, that is going to be a structural source of instability.

I would like to hear my hon. colleague's thoughts on this. What kind of threat does this actually represent to us as a stable, democratic nation if we allow this trend to continue?

Mr. Don Davies: Madam Speaker, there were two very important points mentioned. The first I would like to talk about how toxic it is to a democracy to have political parties that completely renege on their campaign promises once elected. That creates a cynicism and distrust in government that goes far beyond just partisan purposes. It actually eats at the very fabric of our democracy.

There is a cost to our democracy when the Liberal government says that it will bring in caps on the stock option loophole, then says it will not do that; when it says it will bring in electoral reform, that 2015 will be the last election under first past the post, then says it will not do that.

It has been said in this place and elsewhere that the problem with Conservatives is that they do exactly what they say they are going to do, and the problem with Liberals is that they never do what they say they are going to do. Both those approaches need to be looked at in the House.

Business of Supply

I want to talk about the second issue my colleague raises. Fundamentally, our tax system is based on an honour system. Our tax system is based on people who fill out their tax returns honestly and they declare all forms of income honestly. This is a very important feature of our country. If the citizens of our country feel that the system is rigged and that the wealthy are not paying their fair share, we could risk having a situation where poor working-class and middle-class people start not declaring their income honestly. Then we risk a real crisis. That happens in places like Greece and other countries, where there is a buildup of a black market—

The Assistant Deputy Speaker (Mrs. Carol Hughes): Unfortunately, I have to allow for other questions.

Questions and comments, the hon. Parliamentary Secretary to the Minister of Families, Children and Social Development (Housing and Urban Affairs).

Mr. Adam Vaughan: Madam Speaker, I do not want to downplay the crisis that exists in Vancouver and Toronto. It is serious. That is why this government is acting. However, the member opposite said that we were not spending the money fast enough and that was one of the things we could finance with the bill he has presented to us. I agree. That is why we put \$1 billion into fighting tax evasion to bring those dollars back.

He also said that people in Vancouver did not welcome the national housing strategy, so I want to quote a few things that were said.

The B.C. minister of housing said that it was a good first step, and was glad to see the government had renewed it. The mayor of Vancouver said that it had been an embarrassment not to have a national housing strategy, and welcomed this investment. The B.C. Premier, also a New Democrat, said that it was a fantastic proposal, was glad the money would start to fund next year, and was worried that they were not sure yet what the per capita funding would be and how it would relate to Vancouver. Janice Abbott, a strong voice for housing equity, and the co-op sector in Vancouver all praised the national housing strategy because of the dollars being delivered now, the commitment over 10 years, the fact that we modelled the program on the advice they gave us, which was that it had to be long-term, that the program had to grow over 10 years, and therefore had to be back-end loaded so we could build a strong foundation and a growing program that would get bigger year after year.

People in Vancouver love this housing strategy. What they need is you to support us to make it happen faster.

The Assistant Deputy Speaker (Mrs. Carol Hughes): Again, the hon. parliamentary secretary has been in the House long enough. He knows he is to address the questions to the Chair and not to individual members.

The hon. member for Vancouver Kingsway.

Mr. Don Davies: Madam Speaker, the hon. colleague mischaracterized my comments. I was not talking about rejecting the national housing strategy. In fact, I am glad to see the Liberals adopted one. The New Democrats have had one for a decade. Of course we are going to find politicians in B.C. welcoming federal dollars of any type after not having any federal dollars or presence. The question is whether there is enough.

I remember during the campaign when the New Democrats promised \$15-a-day child care and we laid out our plan for how many billions of dollars we would spend. The Liberal Party attacked us by saying that was not ambitious enough because it was back loaded. Then of course here we are in 2018 and there has not been a single child care space created by the Liberal government since that time. The Liberals criticized ours for not being ambitious enough and then got into government and did nothing.

The issue of housing is this. Not a single co-op unit has been built in the country under the Liberal government. Not one. Where are the co-ops that have opened in Vancouver or British Columbia and have been funded by the government? I have not seen them. It is one thing to start the flow of money, but there is a housing crisis in the country. Crises require immediate action, not action 10 years from now.

I would like to see the government put its money where its mouth is. It is no longer good enough to just speak words. I want to see significant new investments of federal funding flowing now to provide relief to people in the GTA, Vancouver, the Lower Mainland, and communities all across the country to start building the kind of housing people can live in this year and next year, not 10 years from now.

• (1710)

The Assistant Deputy Speaker (Mrs. Carol Hughes): Resuming debate, the hon. parliamentary secretary to the government House leader. I will have to advise him that, unfortunately, he will not be able to use up all of his time, because I will be interrupting him at some point.

Mr. Kevin Lamoureux (Parliamentary Secretary to the Leader of the Government in the House of Commons, Lib.): Madam Speaker, you could sense the disappointment when you said that. Perhaps my colleagues would welcome extending my time a little. It would require only unanimous consent. I do not know if I would even get that on my side of the bench, so I will accept the time constraints.

It has been an interesting debate today. In particular, the New Democrats tried to stand on a high moral pedestal to say how great they are, what they would be doing if they were in government, and all these wonderful things. It is a bit tough at times for me to digest this because for many years, when I was in the Manitoba legislature, I saw the reality of NDP governments. They talk about all these expenditures, and how just the taxes on corporations, or going after the tax evaders, would pay for everything their little hearts' desire.

When I was sitting as an MLA, I believe the corporate tax bracket was cut seven times under the New Democrats. It went from over 16% down to 12%. At the time, it surprised a lot of people, especially within the New Democratic movement in the province of Manitoba. That is what happens when they are in government.

Private Members' Business

Then I hear what they are saying today, and the examples they are giving today. If we really stop and think about the examples of why they believe tax fairness is so critically important, we see that they are talking about good ideas that, in good part, are already being acted on. We have seen many positive steps forward on a lot of the things the New Democrats are talking about. I have not heard anything new coming from them. There is nothing new coming from the New Democrats today in their policy announcements.

They talk about tax evasion. Over two budgets, budget 2016 and budget 2017, hundreds of millions of dollars were committed by our government to fight and to get back the tax dollars we are entitled to. Those are historic amounts of money. The Prime Minister and the government are very serious about those who are trying to evade paying taxes, not only offshore but here in Canada.

One of the first measures we put in place was a special tax on Canada's wealthiest 1%. I need to remind my colleagues and my friends in the New Democratic Party that they actually voted against that.

Then they ask, "What about our children?" This government has materialized for our children the Canada child benefit. I believe there is around \$9 million a month coming into Winnipeg North. This is a huge investment in our children by our government. I would remind my NDP colleagues that they voted against that, too.

It is the same thing for seniors. I could talk about pharmacare, housing, and many other issues. We are already doing that. We are acting and moving forward on that.

Madam Speaker, I see you are rising. There is so much more I would like to say on this issue, but I will leave it at that.

• (1715)

[Translation]

The Assistant Deputy Speaker (Mrs. Carol Hughes): It being 5:15 p.m., pursuant to an order made earlier today, all questions necessary to dispose of the opposition motion are deemed put and a recorded division deemed requested and deferred until Tuesday, February 13, 2018, at the expiry of the time provided for oral questions.

[English]

Mr. Kevin Lamoureux: Madam Speaker, I suspect that if you were to canvass the House, you would find unanimous consent to see the clock at 5:30 p.m. so we could begin private members' hour.

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

Some hon. members: Agreed.

[Translation]

The Assistant Deputy Speaker (Mrs. Carol Hughes): Therefore, the House will now proceed to the consideration of private members' business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

AN ACT TO CHANGE THE NAME OF THE ELECTORAL DISTRICT OF CHÂTEAUGUAY-LACOLLE

The House resumed from December 6, 2017, consideration of the motion that Bill C-377, An Act to change the name of the electoral district of Châteauguay—Lacolle, be read the second time and referred to a committee.

Mr. Andy Fillmore (Parliamentary Secretary to the Minister of Democratic Institutions, Lib.): Madam Speaker, I am pleased to rise today to speak to Bill C-377, introduced by my colleague, the member for Châteauguay—Lacolle. The bill proposes to change the name of her riding to "Châteauguay—Les Jardins-de-Napierville".

[English]

As members of the House know, the municipality of Lacolle, which is currently included in the name of my colleague's electorate district, is actually located in the neighbouring riding of Saint-Jean. This is confusing for residents in both ridings, and this legislation has received support from the hon. member for Saint-Jean in the neighbouring riding.

Our government in turn supports this bill, because it just makes sense. In fact, at first reading of Bill C-377 on December 6, 2017, we heard from hon. members on both sides of the House who support the objectives that this legislation sets out to accomplish.

In addressing his support for the legislation, the member for Louis-Saint-Laurent stated that:

I appreciated the speech by my colleague from Châteauguay—Lacolle, a riding whose name will change in due time. I want to reassure her straight off that the official opposition fully agrees with the substance of the bill and that we will be supporting the measure.

As my hon. colleague has shown, there is indeed a major anomaly in the name of the riding, which refers to Lacolle, a place that is not even located in the riding of Châteauguay—Lacolle, but rather in that of Saint-Jean.

During the same debate on Bill C-377, the hon. member for Salaberry—Suroît stated:

I fully understand my colleague's need to change the name of the riding to Châteauguay—Les Jardins-de-Napierville. As my other Conservative and NDP colleagues said, we understand and commend the initiative shown by the member in consulting her constituents, doing historical research, and keeping an election promise. That is why we are going to vote in favour of her bill.

Like members of Parliament themselves, constituency offices must be accessible to their constituents, and all members of Parliament are here to represent and voice the concerns of their constituents.

In listening to her constituents, the member for Châteauguay—Lacolle introduced Bill C-377 and told the House that the riding name causes "confusion" for the constituents of both her riding and the neighbouring riding of Saint-Jean. Her proposed new riding name would result in a more exact description by incorporating the important regional county municipality of Les Jardins-de-Napierville.

Once this legislation is passed, my colleague for Châteauguay—Lacolle will be able to return to her riding, knowing she has listened to the concerns of her constituents, and as a result, acted and made change on their behalf. For that reason, she should be very proud of her work.

I would like to share a personal anecdote that demonstrates the importance of riding names.

I am very fortunate to be the member of Parliament for Halifax. It is a short, simple name. It fits really well on any communication product. It is not a mouthful, making it easy for me to introduce myself to constituents without confusing them. It also has the very fun and distinguished history of being one of only four riding names that date all the way back to the beginning of the Canadian Confederation in 1867. I would never want to have it changed, but it does come with some challenges.

The boundaries for the federal riding of Halifax are smaller than the municipal boundaries for Halifax. In fact, the municipality of Halifax includes four federal ridings, mine and three others: Halifax West, Dartmouth—Cole Harbour, and Sackville—Preston—Chez-zetcook. However, because residents of all these federal ridings are also residents of the municipality of Halifax, many people in these adjacent federal ridings often believe I am their member of Parliament because I am the MP for Halifax.

This means that people often contact my office for help when they are in fact not my constituents. We would, of course, love to help them, and in most cases do get them what they need to know, but as every MP here knows, we already have a substantial number of constituents who we must represent and care for, and in Nova Scotia that number is between 70,000 to 90,000 constituents each. That is to say, we already have our work cut out for us in order to serve our constituents well.

This is an example of how my riding name impacts the day-to-day operations of my office, and I am sure there are stories similar to mine and to that of the member for Châteauguay—Lacolle, which demonstrate the importance of accurate riding names.

Our government believes Canadians deserve access to their member of Parliament, and by extension, our government is also committed to helping and encouraging more Canadians to vote. The Minister of Democratic Institutions has spoken passionately about the need for us to do everything we can to encourage, and not discourage, democratic participation. In fact, we are expanding the voting franchise to more Canadians by reversing elements of the previous government's Fair Elections Act, which actually made voting more difficult and unnecessarily complicated for Canadians.

● (1720)

[Translation]

If passed by Parliament, this act will let more Canadians vote and make it easier for them to do so. It will help enhance the integrity of our electoral system as well as people's confidence in it.

[English]

Another issue the Minister of Democratic Institutions is examining is cybersecurity. In accordance with her mandate letter from the Prime Minister, the minister presented a threat assessment from the

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Communications Security Establishment, or CSE, to analyze the risks to Canada's political and electoral activities from hackers. The fact is political parties have been the victims of cyber-attacks in other countries, and those attacks are attempts to destabilize and undermine—

The Deputy Speaker: Order. The hon. member for Lanark—Frontenac—Kingston on a point of order.

Mr. Scott Reid: Mr. Speaker, while this is really interesting, I fail to find the connection between this and the riding name change that is being proposed in the legislation.

The Deputy Speaker: I thank the hon. member for Lanark—Frontenac—Kingston for his intervention. He is right. I was actually wondering myself. The hon. member for Halifax was starting to get into a subject I appreciate, though I believe he was just starting to perhaps make that connection in terms of talking about the threats to the electoral system.

We will let him finish his remarks in that regard, but I remind hon. members to address their comments to the question, or the motion that is before the House, and I am sure the hon. member for Halifax will oblige.

Mr. Andy Fillmore: Thank you, Mr. Speaker, and I commend the member for passing the test of paying attention this evening.

Of course, where I was going with all that is that in the same way that technology evolves, we have to adapt to it, so too we have to evolve and adapt to the names of our ridings, and make sure they continue to reflect the accurate geography of the areas we represent.

I told a story about my riding and how, although the correct name and only name for the riding, it created some confusion. However, the member for Châteauguay—Lacolle is not quite as fortunate as I am. She has a much more complicated, inaccurate riding name.

We would love to help her out in any way we can, and to be very specific about that, to have the name change she has put forth that we are discussing tonight. We can imagine there are a great number of riding names in the House of Commons that are represented that do not actually reflect the accurate geographical boundaries, so we very likely could expect to hear more PMBs arising to make sure we are giving Canadians the most clear and direct understanding of which riding they actually live in and which member of Parliament to contact.

In conclusion, Bill C-377 would ensure that my colleague and her neighbouring colleagues could clearly identify their riding names, resulting in less confusion when citizens go to the polls, and when accessing their member of Parliament as they do on a very regular basis with my colleague and all colleagues on a day-to-day basis.

● (1725)

[Translation]

That is why our government is proud to support this private member's bill.

Mrs. Sylvie Boucher (Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix, CPC): Mr. Speaker, the name of my riding should be the one that changes, for it is too long and hard to pronounce.

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All joking aside, I would never introduce a bill in the House to change the name of my riding. I would go through the usual parliamentary channels. We were all consulted. All parties were consulted to see whether any members wanted to change the name of their riding. It was easy.

Today we are looking at a bill to change the name of a riding. Although we support it, and although my hon. colleague from Louis-Saint-Laurent spoke in favour of it, personally I see this as a huge waste of time.

It is a waste of time because the member decided to introduce a bill to change the name of her riding, to have some sound bites to put on Facebook, when we could be debating any number of other topics that really matter to Canadians.

My constituents know that I represent them very well. Whether my riding is called Beauport—Côte-de-Beaupré—Île d'Orléans—Charlevoix or Félix-Leclerc or Saint-Laurent, they know that I represent them well as their member of Parliament. I do not need to draft a bill to change the name of my riding when there are other avenues for doing so in the House.

I think it is appalling that the party across the aisle has used this precious time to introduce such a bill. I am not saying it is not important for the member in question, but I think it is a waste of our time.

We have some very important matters to be addressed, such as our Prime Minister's illegal trip. We have been asking him for almost two weeks to pay back the money, and we have seen neither hide nor hair of the money to cover the cost of this illegal trip.

The Liberal Party tells us that it was because the Prime Minister travels. Everyone knows that the Prime Minister travels. Everyone knows that in Canada, when a Prime Minister travels, he needs security. However, security is required on official trips and not for trips with friends, family, nannies, grandpa, grandma, caviar, and wine. It is a non-issue. He was found guilty not once, but four times of ethical lapses. It would have been important to legislate about that. However, yesterday, the Liberal Party voted against our motion, which was well drafted and applied to all members of the House.

That said, I will come back to Bill C-377. It is unfortunate that 10 minutes of our time this evening is being spent on a bill to deal with a matter that could have easily been handled in another way. Personally, that bothers me. Personally, I will support it because anyone may want to change the name of their riding. However, I hope that no one introduces a bill just to have something to post on Facebook. I can post on Facebook more worthwhile things that are done for the people in my riding.

Of all the people in this place, there are some sitting behind me whose ridings have impossible names, but who actually work diligently on behalf of their riding without blowing their own horn, even though at times they would like to do so.

• (1730)

[English]

The price is right.

[Translation]

I am joking around a lot this evening because I find this bill hilarious, and yet, I also find it troubling. I hope that I will not talk about it for 10 minutes.

I think that the name of my riding should have been changed, but I never would have thought to introduce a bill to change the name. I would have gone about it through the proper channels, and that would have been entirely appropriate.

I will support Bill C-377, not because I think it is worthwhile, but because I hope that members of the House will never again dare to introduce this type of bill and that, instead, they will go through the legal channels available to them here in the House.

The Deputy Speaker: The hon. member for Châteauguay—Lacolle has five minutes for her right of reply.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Mr. Speaker, I am honoured to rise again in the House to debate my bill, which seeks to change the name of my riding from Châteauguay—Lacolle to Châteauguay—Les Jardins-de-Napierville. Is that not a beautiful name?

As I mentioned during the first hour of debate in December, the name Châteauguay—Lacolle is inaccurate because the municipality of Lacolle is actually in the riding of my hon. colleague from Saint-Jean. The municipality in my riding is Saint-Bernard-de-Lacolle. Many people have told me that they do not like the name of the riding because it causes confusion and is damaging to the pride that the people of Saint-Bernard-de-Lacolle take in their municipality and to their feeling of belonging.

Over the past few months, I have consulted with municipal officials and many people throughout the region, and the new name that was first suggested by the former mayor of Napierville, Jacques Délisle, achieved the greatest consensus.

A petition calling on the House of Commons to change the name of our riding has already garnered several hundred signatures and is still circulating in the region. I would like to remind members why the proposed name, Châteauguay—Les Jardins-de-Napierville, is a logical and meaningful choice.

First, Les Jardins-de-Napierville is the name of a regional county municipality that includes nine of our 15 municipalities. Second, all of the citizens can identify with the full name. The main city, Châteauguay, is located at the northwest end of the riding. The residents of the five surrounding municipalities can identify with the expression greater Châteauguay, while the RCM of Jardins-de-Napierville includes the nine other municipalities located in the southern and eastern parts of the riding. Third, the Jardins-de-Napierville RCM, whose beauty is represented by the word “Jardins”, or gardens, is well known and highly regarded for being the top market gardening region in Quebec. Lastly, the new name is a good representation of the semi-urban, semi-rural nature of our riding.

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●(1735)

[English]

I am so pleased that my hon. colleagues from Louis-Saint-Laurent, Newmarket—Aurora, Edmonton Riverbend, and the neighbouring riding, Salaberry—Suroît, all expressed their support for Bill C-377 during the first hour of debate.

I dare say that they and other members of the House will remember how I clearly and carefully demonstrated that the name I am proposing meets all guidelines and technical requirements as outlined by Elections Canada, for example, the requirement that the name not exceed 50 characters, and that, for a combination-style name, there be proper usage of dashes, hyphens, and spaces.

[Translation]

In conclusion, I want to note some of the reasons my constituents and I are so proud of our home and why we are so intent on changing our riding name to a name that reflects us.

The rural part of the riding, known as “Les Jardins-de-Napierville”, is located on a part of the region called the “terres noires” because the soil there is among the most fertile in the country. This is why the area is known by many as the pantry of Quebec.

I also want to highlight some of our amazing tourist attractions, which combine history, culture, the outdoors, and environmental conservation. For example, you can travel the Circuit du Paysan by car or by bike to visit wineries and cider mills. At the Île Saint-Bernard wildlife refuge in Châteauguay, you can participate in all kinds of activities, like its famous Écomarché and its bird-watching sites. Lastly, I cannot forget about the Fiesta des cultures de Saint-Rémi cultural festival, the Saint-Cyprien-de-Napierville dragway, and the Parc Régional in Saint-Bernard-de-Lacolle.

I am pleased to sponsor this bill, as it gives me an opportunity to celebrate the treasures you can find in our beautiful part of the country. It also gives me an opportunity to celebrate the pride these residents have in their homeland by giving our riding a name that suits us perfectly: Châteauguay—Les Jardins-de-Napierville.

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

Some hon. members: Agreed.

The Deputy Speaker: Accordingly, the bill stands referred to the Standing Committee on Procedure and House Affairs.

(Motion agreed to, bill read the second time and referred to a committee)

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

TAXATION

Mr. Pat Kelly (Calgary Rocky Ridge, CPC): Mr. Speaker, I rise tonight in adjournment proceedings to talk about the answers that I received to a couple of questions back in October. For those who do not recall the events then, there was quite a bit of confusion over Thanksgiving weekend and the days that followed, when it was reported by *The Globe and Mail* that it was the intention of the Canada Revenue Agency to begin taxing the benefits of retail employees.

This was reported and people thought this seemed unusual and probably thought this was not something the Liberals were doing, yet on the following business day on Tuesday, that was when initially the government confirmed that this was what it was going to do, that a folio had been changed several months earlier to state that indeed it was going to tax the benefits of retail workers. This would include those who work in restaurants and shops, low-wage earners for the most part.

This was initially confirmed by the government and I seem to recall it was the President of the Treasury Board who went on a television program and confirmed that this was what they were doing. After a confused day, eventually the minister said, no, this was not their intention at all. She said at that time that this was not an intention of the government and that they were going to reverse that decision and change the folio to not tax retail workers.

I raised the question in question period. In the answer I received, as one can read in the *Hansard*, the parliamentary secretary talked about the middle class and other things and stated, “The document from the agency did not reflect the intentions of our government.”

I do not find the answer that I received satisfactory and we are here tonight to discuss that further. If this were not government policy, how did it come to be published in its folio? This was not something that some bureaucrat somehow did without anyone knowing. This is a publicly available document.

The Retail Council raised the prospect of the taxation of retail employee benefits at the finance committee, so this was out there in the public as a concern that some had, yet it took until *The Globe and Mail* had reported this for it to really get the public's attention. In answer to the question, the Liberals denied that this was government policy. They said this public folio, which gives guidance to tax preparers, did not represent government policy.

If it was not government policy, where was the minister to prevent this from happening? We have seen a number of things that have come about, such as the denial of a disability tax credit to disabled Canadians, to autistic Canadians, the troubles that have been experienced by single parents who have struggled with the agency in not being able to receive their benefits.

If this was not government policy, if this was just the bureaucrats running amok, why was the minister not taking responsibility and ensuring that her bureaucrats did not attack or target vulnerable Canadians?

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• (1740)

Ms. Kamal Khera (Parliamentary Secretary to the Minister of National Revenue, Lib.): Mr. Speaker, I rise this evening to put a stop, once again, to the misinformation that has been spread in recent months by some members of the opposition with the sole intent of confusing Canadians. In fact, I am quite taken aback by the misleading allegations they have made on the subject of employee benefits.

I am pleased to have this opportunity to set the record straight by separating myth from reality and letting members opposite know the truth of the matter.

The opposition seemingly prefers a reckless war of words over a clear-headed review of the numerous measures our government has taken to support the middle class and those working hard to join it.

We have emphatically stated before that the Canada Revenue Agency does not target retail employees' discounts.

Furthermore, contrary to what has been stated by the opposition, it is not considered a taxable benefit when employees working in a restaurant or at a food court counter purchase food from their employers at a reasonable discount.

To help taxpayers and their representatives comply with their tax obligations, the Canada Revenue Agency has a long-standing practice of posting technical publications on its website. The CRA's guidelines and folios provide practical guidance to taxpayers and tax preparers on how the CRA administers specific aspects of the Income Tax Act.

The tax folio on employee benefits and allowances was published on the CRA website on July 7, 2016. In October, 2017, after stakeholders expressed their concerns, the minister instructed the Canada Revenue Agency to remove the folio from its website and to clarify the wording and consult with stakeholders.

Furthermore, I would like to remind the member opposite that our government has raised taxes on the wealthiest 1% of Canadians in order to lower taxes on the middle-class. Opposition members, including the one that I am debating with tonight, voted against that initiative. They have shown their true colours, and Canadians are not fooled.

We stopped the cheques the Conservatives were sending to the millionaires and we replaced them with the Canada child benefit, which put more money in the pockets of nine out of 10 Canadian families and lifted more than 300,000 children out of poverty.

Our government's focus has always been clear, and that is to help the middle class and those working hard to join them.

• (1745)

Mr. Pat Kelly: Mr. Speaker, I guess in the Liberals' world, when the government publishes a folio that says it will change how it deals with the taxation of employee benefits and then after a media storm of controversy quickly scrambles, backpedals, and changes it, that somehow the opposition is the confusing party and has misled Canadians.

It is the same with the disability tax credit. The governing party changed its documentation, its processes, and its paperwork in May

and somehow the opposition misled Canadians. Somehow the opposition misled Canadians when the government made a decision that resulted in a tax credit being taken away from disabled Canadians. It backpedalled on it, switched it months later, and blamed the opposition for misleading Canadians. Canadians are not buying that.

The confusion on this issue is coming straight out of the department. The minister needs to get control of her department and ensure that it communicates clearly with Canadians.

Ms. Kamal Khera: Mr. Speaker, our government's first action was to raise taxes on the wealthiest 1% of Canadians so we could lower them for the most vulnerable and the middle class. As a result, nine million Canadians see more money on every paycheque now. The member opposite voted against that.

Our government is committed to delivering results to Canadians from a public service that has been internationally recognized as among the best in the world.

With all due respect, we will take no lessons from the Conservatives.

[Translation]

OFFICIAL LANGUAGES

Mr. François Choquette (Drummond, NDP): Mr. Speaker, I am pleased to rise in the House once again to talk about official languages and the importance of investing in our official language communities across the country. On February 1, I had the opportunity to ask the Minister of Canadian Heritage, who is also responsible for official languages, an extremely important question. My question was about the importance of heeding the ultimatum issued by community organizations that say official language minority communities across the country are under-funded.

It has now been 10 years since those organizations last received any additional funding, since their funding was indexed, yet the cost of living has risen steadily. They are stretched thin, and that is why they want stable, adequate funding that meets their needs so they can help communities grow and thrive.

It is high time that the Liberals and the minister put their words into action when it comes to official languages. As I said in the question, enough with the promises, enough with the empty rhetoric. It is time to take action. They are unable to keep their promises. We have not seen anything concrete. On the contrary, while they are twiddling their thumbs, there are problems everywhere: some organizations are forced to lay off all their employees and get by with the help of volunteers, and some organizations no longer have any offices.

I have two solid examples of the problems we are seeing right now. The first has to do with literacy and basic skills. The government decided to work on a project-by-project basis instead of providing stable funding. The Réseau pour le développement de l'alphabétisme et des compétences, RESDAC, drummed up projects left and right and managed to survive thanks to its incredible resourcefulness. However, for two years now, all of their projects, their very good projects have been rejected. RESDAC has survived despite the fact that it no longer had basic funding.

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In November or December, its representatives and those from FCFA held a huge press conference to say that the situation is dire, that they were in a bad way, that they were out of money, and that they were on life support. In fact, volunteers are providing minimal service. There is no longer an official languages literacy and basic skills support network anywhere in Canada. That is unbelievable to me. A complaint was even filed with the Office of the Commissioner of Official Languages. It resulted in two recommendations for which we are still awaiting a response. We are told they are working on it, but it will take at least six months to get any answers, while the needs are pressing. There needs to be an urgent response to help this group.

Chronic underfunding of community media is another problem. Community media, our official language community papers and radio stations, have lost over 80% of their advertising revenue. That is right: 80% of their revenue has evaporated.

I would like to know what the government is planning to do. Will it respond to the ultimatum?

• (1750)

Mr. Arif Virani (Parliamentary Secretary to the Minister of Canadian Heritage (Multiculturalism), Lib.): Mr. Speaker, I thank my colleague from Drummond. Our government has a clear mandate to develop a new official languages action plan that enhances the vitality of minority francophone and anglophone communities.

[English]

For two years now, we have been actively working to support English- and French-speaking Canadians from coast to coast to coast and to promote our official languages.

[Translation]

We would like to point out that, in the summer of 2016, we held 22 round tables across the country to hear from official language communities and work with them to address issues affecting their cultural development and vitality. We are proud to report that nearly 7,000 people participated in the consultation process on line and at the round tables.

[English]

The cross-Canada consultation process was carried out using an approach based on respect, openness, and sincere collaboration. What we learned has been used to develop a new multi-year official languages action plan to support English and French-speaking minorities across the country.

[Translation]

We listened very carefully to the concerns of our official language communities all over Canada. Those communities raised some crucial issues and challenges, including the importance of ensuring the continued existence of the Canadian Francophonie, as well as enhancing the vitality of official language minority communities, raising the individual bilingualism rate, and working to bring Canada's linguistic communities closer together.

[English]

Our government is committed to putting forward a new official languages action plan, which will come into force on April 1, 2018. We and the member for Drummond know that our new action plan

will breathe new life into government action in support of our linguistic minority communities, and we will stick to that plan.

[Translation]

We now have a new Commissioner of Official Languages, appointed in keeping with the government's commitment. This progress comes on the heels of many other meaningful steps our government has taken to support these communities. In particular, we have appointed two bilingual justices to the Supreme Court of Canada. We have modernized the court challenges program, initiated a review of the rules on designating bilingual service points, invested in the construction of educational infrastructure in minority communities, and restored the international mobility program, in relation to the other immigration program, as well as many other achievements that we are proud of.

• (1755)

Mr. François Choquette: Mr. Speaker, official language communities are demanding action. They want some very concrete and specific things, including an increase in funding. They are asking for \$575 million over five years, the money they would have received over the past 12 years had their funding envelope been indexed. That would give them a chance.

The communities are also asking that federal funding be indexed as of the next budget. I asked for that before and the communities have been asking for it since 2017. Nothing has been done yet. The communities are also asking for more development programs by and for the communities. It is important that they be granted the opportunity to provide these programs. What is more, the action plan must have a real impact on the ability of official language communities to create their social fabric and enhance their vitality. These are important things that the communities are asking for.

Can my hon. colleague confirm that the government has heard the ultimatum delivered by the communities and will soon take action?

Mr. Arif Virani: Mr. Speaker, as I mentioned in my initial comments, we have already taken action. We are not just paying lip service; we are taking action.

I can tell my hon. colleague from Drummond that significant investments are directly made in community initiatives and projects every year. The next official languages action plan will renew this approach in order to support our official language minority communities.

[English]

I assure the member for Drummond that since 2015, the Government of Canada has made the reinvestment of dollars into the vitality of our official languages minority communities a priority both for the Acadian region and throughout the country.

[Translation]

We took the time to consult our official language communities and to listen to their concerns, and our next action plan will address these concerns.

*Adjournment Proceedings**[English]*

THE ENVIRONMENT

Ms. Elizabeth May (Saanich—Gulf Islands, GP): Mr. Speaker, I am speaking tonight in adjournment proceedings, and the timing is almost impossible to believe. On October 20, I attempted to warn the Minister of Environment and the Prime Minister of how very dangerous it would be to give the offshore petroleum boards in Atlantic Canada any power or role in environmental assessment. The idea that the Canada-Nova Scotia Offshore Petroleum Board or the Canada-Newfoundland & Labrador Offshore Petroleum Board should have any role in the environmental assessment of projects over which they have regulatory authority is desperately worrying. I say that because these boards were created by legislation to expand offshore oil and gas. That is their role. They have a mandate to expand offshore oil and gas.

I said to the minister on October 20 that offshore petroleum boards in Atlantic Canada have legislated mandates to expand oil and gas activity. They have never had any role in environmental assessment, and if they did, it would be a conflict of interest. Now it appears that the Liberals are following through on Stephen Harper's plan to put these boards into environmental assessments, where they should not be.

I have to say that my final question to the Minister of Environment was whether she could assure this House that she would keep these offshore boards out of environmental assessment. Her answer was not very clear on October 20. The answer is really clear today, because we now have omnibus Bill C-69, which entrenches a role for these very boards in environmental assessments, where they have no business being.

There has been a bit of fancy footwork in the Liberal talking points. Expert panels reviewed the broken laws left after the Harper era by omnibus budget bills C-38 and C-45. We had massive consultations. Very high-powered expert boards were commissioned to look at the National Energy Board and provide recommendations and to look at the environmental assessment process and provide recommendations. Both recommended that energy regulators should play no role in environmental assessment and that there should be a stand-alone environmental assessment agency.

In some ways, if we were to read the press releases and the talking points, one might think that is what was just done today in Bill C-69. There is one agency, called the impact assessment agency, except for one thing. When one reads it in detail, one finds that when there is a project that would be regulated by one of these boards—what we used to call the National Energy Board, which we will have to get used to calling the Canadian energy regulator; the offshore petroleum boards; or the Canadian Nuclear Safety Commission, which, for the first time ever, Stephen Harper put in the frame of environmental assessment in 2012—under the Liberals, these boards would continue to play a role in environmental assessment.

This is how they did the fancy footwork. There is only one environmental assessment agency, but when a project falls into one of those jurisdictions, the people put on the panel to review the project must be taken from the boards of those agencies. They will apply their other laws at the same time as they go through environmental reviews.

Let me talk about the Canada-Nova Scotia Offshore Petroleum Board. I am going to quote Dr. Lindy Weilgart, an adjunct professor at Dalhousie University and an international expert on seismic blasting. She talked about the seismic surveys, approved by the Canada-Nova Scotia Offshore Petroleum Board, in the migratory habitat of the endangered right whale. Air guns are shot every 10 seconds around the clock. It is the loudest human-produced noise right after nuclear and chemical explosions. That is why she said that in 2016, 28 right whale experts declared that the additional distress of widespread seismic air gun surveys represented a tipping point for the survival of this species. The Liberals today have given these boards a role in environmental assessment.

I am horrified by this. I ask my colleague, the hon. parliamentary secretary, how she can live with what the government has just done.

• (1800)

Ms. Kim Rudd (Parliamentary Secretary to the Minister of Natural Resources, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to the issue raised by the member for Saanich—Gulf Islands regarding the role of offshore boards in environmental assessment.

In June 2016, the Government of Canada launched a comprehensive review to restore the confidence of Canadians in federal environmental assessment processes, restore lost protections of our fisheries and waterways, and modernize the National Energy Board. Now, after more than 14 months of extensive engagement with indigenous leaders, provincial and territorial leaders, businesses, environmental groups, and Canadians, the Government of Canada has introduced proposed legislation that reflects the values and priorities Canadians expressed throughout this process.

The proposed impact assessment act, tabled by the Minister of Environment and Climate Change, lays out a vision for a modern impact assessment and regulatory system that recognizes that the environment and the economy must work together to help us build a sustainable future. It represents an important shift in the way that major projects will be assessed in Canada.

First, the proposed changes seek to broaden project reviews from environmental assessments to impact assessments with a focus on sustainability. This means that assessments would consider a broader range of potential impacts to understand how proposed projects could affect not just the environment but also social and health aspects, indigenous peoples, jobs, and the economy over the long term.

Adjournment Proceedings

Second, regulatory certainty would be achieved by making the system more efficient and predictable, giving companies the clarity and predictability they need with legislated timelines. Also, a single federal agency, the impact assessment agency of Canada, would lead all impact assessments for major projects. This includes projects that are regulated by the offshore petroleum boards in Atlantic Canada. In recognition of the joint management offshore accords with Nova Scotia and Newfoundland and Labrador, the agency would collaborate with the offshore boards in reviewing major offshore oil and gas projects. This would ensure that we continue to rely on the wealth of technical knowledge and expertise that they have developed over the past 30 years. Under the proposed framework, decisions would be based on whether a project with adverse effects is in the public interest based on key factors.

Another element of the proposed legislation, reconciliation with indigenous peoples, is one of the main elements of the design of the new system. The proposed changes seek to build new partnerships based on recognition of indigenous rights up front. This includes early engagement and participation at every stage. This legislation would create new space for indigenous jurisdictions to enter into agreements with the federal government to exercise powers under the act, including the potential to conduct assessments. Going forward, it would be mandatory to consider and protect indigenous traditional knowledge alongside science and other evidence.

Finally, transparency and science are essential elements of the proposed new process. The new system aims for more openness and transparency. A new online platform would be created to share information and data, and to make it easier for the public to access.

In conclusion, the proposed legislation reflects values that are important to Canadians, including early, inclusive, and meaningful public engagement; nation-to-nation, Inuit-crown, and government-to-government partnerships with indigenous peoples; timely decisions based on the best available science and indigenous traditional knowledge; and sustainability for present and future generations.

• (1805)

Ms. Elizabeth May: Mr. Speaker, it is an honour to take up the point that the hon. member has made, that the offshore petroleum

boards have developed technical work and expertise. However, I have worked with these bodies. Their technical work and expertise means that the fox is guarding the hen house.

I will repeat that the Canada-Nova Scotia Offshore Petroleum Board in 2010 knowingly approved seismic testing in the Gulf of St. Lawrence when the most endangered whale species on the planet was making its transit. These boards are irresponsible. They are reckless. They are captured by industry. Their mandate in their legislation is to expand offshore oil and gas. They must be removed from anything to do with environmental assessment.

It is not as if the government was not warned. The Mi'kmaq, Maliseet, and Peskotomuhkati first nations wrote to the government and told it that they had no confidence in these bodies. They begged it, as well as the fisheries organizations and environmental groups throughout Atlantic Canada, to not put the offshore boards anywhere near environmental assessment.

Members on that side of the house have ignored the warnings. The Liberals have betrayed the whales, Atlantic Canadians, fishermen, and first nations. They must get these boards out of environmental assessment.

Ms. Kim Rudd: Mr. Speaker, through this proposed legislation, the Government of Canada has demonstrated its commitment to restoring robust and thorough reviews of major projects while working closely with provinces to avoid duplication. Our goal is to provide regulatory certainty to business, to respect the rights of indigenous peoples, to engage communities, and to protect the environment for generations to come. We know that the environment and the economy must go hand in hand.

The Deputy Speaker: The motion that the House do now adjourn is deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:07 p.m.)

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