



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# House of Commons Debates

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OFFICIAL REPORT  
(HANSARD)

**Tuesday, June 10, 2014**



**Speaker: The Honourable Andrew Scheer**

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# HOUSE OF COMMONS

Tuesday, June 10, 2014

The House met at 10 a.m.

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*Prayers*

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## ROUTINE PROCEEDINGS

● (1005)

[English]

### PUBLIC SECTOR INTEGRITY COMMISSIONER

**The Speaker:** I have the honour, pursuant to section 38 of the Public Servants Disclosure Protection Act, to lay upon the table the report of the Public Sector Integrity Commissioner for the fiscal year ended March 31, 2014.

[Translation]

This report is deemed permanently referred to the Standing Committee on Government Operations and Estimates.

\* \* \*

[English]

### EXPORT DEVELOPMENT CANADA

**The Speaker:** I have the honour to lay upon the table the Auditor General's report on the design and implementation of Export Development Canada's environmental review directive and other environmental review processes.

Pursuant to Standing 108(3)(g), this document is deemed to have been permanently referred to the Standing Committee on Public Accounts.

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### GOVERNMENT RESPONSE TO PETITIONS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 29 petitions.

\* \* \*

### COMMITTEES OF THE HOUSE

LIAISON

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Mr. Speaker, I have two reports today. Pursuant to Standing Order 107

(3), I have the honour to present, in both official languages, the third report of the Liaison Committee, entitled "Committee Activities and Expenditures, April 1, 2013 - March 31, 2014".

This report highlights the work and accomplishments of each committee and includes as well a detailed budget that funds the activities of the committee members. In addition, this is the final report for 2013-14 fiscal year. The information has been included to facilitate comparisons between fiscal years.

PROCEDURE AND HOUSE AFFAIRS

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Mr. Speaker, pursuant to Standing Orders 104 and 114, I have the honour to present, in both official languages, the 15th report of the Standing Committee on Procedure and House Affairs, regarding the membership of committees of the House.

If the House gives its consent, I intend to move concurrence of the 15th report later today.

\* \* \*

[Translation]

### AUDITOR GENERAL ACT

**Mr. Raymond Côté (Beauport—Limoilou, NDP)** moved for leave to introduce Bill C-612, An Act to amend the Auditor General Act and the Federal Sustainable Development Act (port authorities).

He said: Mr. Speaker, I would like to sincerely thank the hon. member for Québec for seconding this bill.

I will keep my speech short. Currently, neither the Auditor General nor the Commissioner of Environment and Sustainable Development oversees the country's 18 port authorities. My bill simply aims to correct that situation because although port authorities function independently, they manage crown property, which is therefore public property. That is the purpose of this bill.

Again, I would like to thank the hon. member for Québec for seconding this bill, and I would ask that all of my colleagues examine it very closely in the coming months.

*Routine Proceedings*

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

\* \* \*

[English]

**COMMITTEES OF THE HOUSE**

## PROCEDURE AND HOUSE AFFAIRS

**Mr. Joe Preston (Elgin—Middlesex—London, CPC):** Mr. Speaker, if the House gives its consent, I move that the 15th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier today, be concurred in.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

(Motion agreed to)

\* \* \*

**PETITIONS**

## EMERGENCY PROTECTION ORDER

**Mr. LaVar Payne (Medicine Hat, CPC):** Mr. Speaker, I am pleased to rise today to present the fourth petition from my constituents regarding the amended recovery strategy for the greater sage grouse in Canada.

The petitioners are calling on the government to rescind this strategy.

## IMPAIRED DRIVING

**Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC):** Mr. Speaker, I rise to present a petition signed by citizens of Canada who acknowledge that current impaired driving laws are too lenient.

The petitioners are calling on the government for tougher laws and implementation of new mandatory minimum sentencing for those persons convicted of impaired driving causing death. The petitioners are also calling on the government to change the Criminal Code of Canada to redefine the offence of impaired driving causing death as vehicular manslaughter.

## AGRICULTURE

**Hon. Mark Eyking (Sydney—Victoria, Lib.):** Mr. Speaker, I rise to present a petition signed by nearly 60 residents from across Ontario who call on the government to refrain from making any changes to the Seeds Act or the Plant Breeders' Rights Act through Bill C-18, the agricultural growth act. The proposed change would further restrict farmers' rights and add to farmers' costs. The group calls on Parliament to create legislation that will maintain the rights of farmers and other Canadians to save, reuse, select, exchange, and sell seeds.

## IMPAIRED DRIVING

**Mr. Harold Albrecht (Kitchener—Conestoga, CPC):** Mr. Speaker, I have the honour to present two petitions from citizens of Canada pointing out that the current impaired driving laws are too lenient. The petitioners want to see tougher laws and the implementation of new mandatory minimum sentencing for those persons convicted of impaired driving causing death.

## RAIL TRANSPORTATION

**Mr. Bruce Hyer (Thunder Bay—Superior North, GP):** Mr. Speaker, notwithstanding that there has been a temporary reprieve for VIA Rail through the Maritimes, I am still receiving petitions saying that service cuts in northern New Brunswick and the Maritimes would pose a real hardship on the residents there, that they would have a serious and detrimental effect on the economy, and that rail is the most environmentally friendly and economical means of transportation. The petitioners are seeking investments in rail infrastructure to allow VIA Rail to continue.

## AGRICULTURE

**Mr. Gary Schellenberger (Perth—Wellington, CPC):** Mr. Speaker, I have the honour to present two petitions this morning. The first one calls on Parliament to refrain from making any changes to the Seeds Act or the Plant Breeders' Rights Act.

● (1010)

## ABORTION

**Mr. Gary Schellenberger (Perth—Wellington, CPC):** Mr. Speaker, the second petition says that, whereas Canada is the only nation in the western world, in the company of China and North Korea, without any laws restricting abortion; therefore, the petitioners call upon the House of Commons and Parliament assembled to speedily enact legislation that restricts abortion to the greatest extent possible.

## PENSIONS

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I would like to table a petition from residents of Winnipeg North who believe that people should be able to continue to have the option to retire at the age of 65, and they ask that the government not in any way diminish the importance and the value of Canada's three major seniors' programs: our old age security, our guaranteed income supplement, and the Canada pension plan. It is with pleasure that I bring this to the attention of the Prime Minister and the government of the day.

## AGRICULTURE

**Hon. Ron Cannan (Kelowna—Lake Country, CPC):** Mr. Speaker, I rise to table a couple of petitions. The first one is from constituents asking the government to refrain from making changes to the Seeds Act and the Plant Breeders' Rights Act through Bill C-18, an act to amend certain acts relating to agriculture and agri-food.

## IMPAIRED DRIVING

**Hon. Ron Cannan (Kelowna—Lake Country, CPC):** Mr. Speaker, the two other petitions have to do with the leniency of Canada's impaired driving laws; and in the interests of public safety, the petitioners are asking that the government seek tougher laws and the implementation of new mandatory minimum sentencing for those persons convicted of impaired driving causing death.

## Routine Proceedings

CANADA POST

**Mr. Sean Casey (Charlottetown, Lib.):** Mr. Speaker, I rise today to present a petition that was collected in Prince Edward Island, so it is signed largely by Prince Edward Islanders but also by visitors to our fair province. These are Canadians who are concerned about the cuts to Canada Post. They are concerned about the job losses associated with these cuts, the impact they will have on seniors and the disabled, and the lack of consultation that led to the cuts. They call on the government to reverse the cuts to services announced by Canada Post and look instead for ways to innovate in areas such as postal banking.

\* \* \*

## QUESTIONS ON THE ORDER PAPER

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, the following questions will be answered today: Nos. 477 and 481.

[Text]

Question No. 477—**Mr. Dan Harris:**

With regard to ex gratia payments by the Department of National Defence and the Canadian Armed Forces, based on Order in Council 2012-0861 issued in June 2013 which provides the Chief of Defence Staff (CDS) with the authority to approve ex gratia payments of up to \$250,000 in his adjudication of grievances: what is the number of instances where the CDS used that authority, broken down by (i) total number, (ii) rank of grievor, (iii) type of grievance, (iv) amount paid?

**Hon. Rob Nicholson (Minister of National Defence, CPC):**

Mr. Speaker, the Chief of the Defence Staff did not exercise his authority to approve ex gratia payments of up to \$250,000 in his adjudication of grievances based on Order in Council 2012-0861, issued in June 2013.

Question No. 481—**Mr. Philip Toone:**

With regard to the streamlining and consolidation of offices and jobs in the Department of Fisheries and Oceans (including the Canadian Coast Guard): (a) what offices, branches and service centres have been restructured since 2006, (i) how many jobs have been affected, (ii) among these jobs, how many have been reallocated elsewhere in the Department, (iii) to what programs or sub-programs and to what locations have these jobs been reallocated; (b) what departmental programs have been restructured in terms of jobs since 2006, (i) what programs or sub-programs have been affected, (ii) among these jobs, how many have been reallocated elsewhere in the Department, (iii) to what programs or sub-programs have these jobs been reallocated; and (c) how many science-related jobs have been affected since 2006?

**Hon. Gail Shea (Minister of Fisheries and Oceans, CPC):**

Mr. Speaker, Fisheries and Oceans Canada, including the Canadian Coast Guard, does not track information related to the streamlining and consolidation of offices and jobs.

\* \* \*

[English]

## QUESTIONS PASSED AS ORDERS FOR RETURNS

**Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons, CPC):** Mr. Speaker, if Questions Nos. 470, 473, 474, 475, 476, 478, 479, 480, and 482 could be made orders for return, the returns would be tabled immediately.

**The Acting Speaker (Mr. Bruce Stanton):** Is that agreed?

**Some hon. members:** Agreed.

[Text]

Question No. 470—**Mr. Scott Simms:**

With regard to government records on the Manolis L. since its construction in 1980, what are the details of documents, memos, correspondence, reports, or any other forms of information that exist, broken down by (i) department, (ii) date, (iii) file or reference numbers, (iv) type of record, (v) purpose, (vi) title, (viii) summary, (ix) contents, (x) availability?

(Return tabled)

Question No. 473—**Mr. Peter Stoffer:**

With regard to disabled RCMP veterans who are trying to end the reduction of long-term disability benefits by the amount of their Veterans Affairs Canada disability pension: (a) how many Members of Parliament (MP) wrote to the Minister of Veterans Affairs with respect to the issue identified above for each of the years from 2010 to 2014; (b) how many Conservative MPs wrote to the Minister with respect to the above issue for each of the years from 2010 to 2014; (c) what was the total amount of money spent by all government departments and agencies on the disabled RCMP members' class action lawsuit, including outside legal counsel; and (d) what is the estimated cost for settling the RCMP class action lawsuit?

(Return tabled)

Question No. 474—**Mr. Peter Stoffer:**

With regard to disabled Canadian Forces veterans who are trying to obtain fair compensation with settlements under the New Veterans Charter (NVC): (a) how many Members of Parliament wrote to the Minister of Veterans Affairs with respect to fair compensation for injured veterans under the NVC, for each of the years from 2006 to 2014 inclusive; (b) what is the total amount of money spent by all government departments and agencies, excluding the Department of Justice, from October 2013 to the present, on the Equitas Society class action lawsuit, that is, the defence against disabled Canadian Forces veterans trying to obtain fair compensation with settlements under the NVC; (c) what is the total amount of money spent by the government to hire outside legal counsel from October 2013 to the present on the Equitas Society class action lawsuit; and (d) what is the total amount of money spent by all government departments and agencies on the Equitas Society class action lawsuit from October 2012 to the present, including all costs associated with the work of Department of Justice?

(Return tabled)

Question No. 475—**Mr. Peter Stoffer:**

With regard to homeless veterans: (a) what programs from Veterans Affairs Canada (VAC) are in place to assist homeless veterans; (b) what programs are in place by other government departments, if applicable, to assist homeless veterans; (c) what organizations are working in partnership with VAC to provide support to homeless veterans, broken down by province; (d) what is the annual breakdown of contributions issued to organizations working in partnership with VAC on veterans homelessness from 2009 to 2013 inclusively, broken down by province; (e) how much did VAC spend on veterans homelessness annually from 2009 to 2013 inclusively; (f) what are the details of VAC's evaluation of the effectiveness of their financial contribution and program delivery for the partnership defined in (c); (g) is VAC considering a plan for a national coordinated effort to support homeless veterans and, if so, what are the details; (h) how many homeless veterans have been identified annually by VAC, from 2009 to 2013 inclusively; (i) how many homeless veterans have been identified by organizations working in partnership with VAC annually from 2009 to 2013 inclusively, broken down by province; (j) how many homeless veterans identified in (h) and (i) are now in receipt of departmental benefits or services; (k) what is the breakdown of the type of departmental benefits or services the homeless veterans received from 2009 to 2013; (l) what are the planned expenditures by VAC for homeless veterans for the next five years; and (m) what are the planned expenditures by VAC for organizations working in partnership with VAC to provide support to homeless veterans?

(Return tabled)

*Business of Supply*Question No. 476—**Mr. Rodger Cuzner:**

With regard to government funding, for each fiscal year since 2007-2008 inclusive: (a) what are the details of all grants, contributions, and loans to any organization, body, or group in the province of Alberta, providing for each (i) the name of the recipient, (ii) the location of the recipient, indicating the municipality and the federal electoral district, (iii) the date, (iv) the amount, (v) the department or agency providing it, (vi) the program under which the grant, contribution, or loan was made, (vii) the nature or purpose; and (b) for each grant, contribution and loan identified in (a), was a press release issued to announce it and, if so, what is the (i) date, (ii) headline, (iii) file-number of the press release?

(Return tabled)

Question No. 478—**Mr. Jack Harris:**

With regard to the Canadian Forces' Cadet Program, for the years 2008 to 2014, broken down by region: (a) what is the overall budget allotment per year for the program; (b) what is the full breakdown of the costs of the program, broken down by cadets and officers, including but not limited to, information on capital expenditures, administration and support, uniforms and equipment, and travel; (c) what is the full breakdown of the costs of staffing the program, including the breakdown of costs by intermediary staff, support staff, and military staff; (d) how much of the program's budget is spent per cadet and what is the amount directly delivered to the local squadrons and corps, excluding uniforms and salaries for squadron and corps staff; and (e) how much of the program's budget is spent on administration, broken down by the following rank level and category, (i) part-time primary Cadet Organizations Administration and Training Service (COATS) and Cadet Instructors Cadre (CIC) reservists, (ii) full-time primary COATS and CIC reservists, (iii) civilian employees?

(Return tabled)

Question No. 479—**Mr. Philip Toone:**

With regard to government funding allocated to the constituency of Gaspésie—Îles-de-la-Madeleine: (a) what is the total amount of funding allocated from fiscal year 1993-1994 to fiscal year 2001-2002, broken down by year, department or agency, initiative, and amount; and (b) if any of the amounts requested in (a) are not available, why not?

(Return tabled)

Question No. 480—**Mr. Philip Toone:**

With regard to government funding allocated to the constituency of Haute-Gaspésie—La Mitis—Matane—Matapédia: (a) what is the total amount of funding allocated from fiscal year 1993-1994 to the present date, broken down by year, department or agency, initiative, and amount; and (b) if any of the amounts requested in (a) are not available, why not?

(Return tabled)

Question No. 482—**Ms. Judy Foote:**

With regard to the accounts of the former Canadian International Development Agency for 2012-2013, compared to those of 2011-2012: (a) what was the total amount of increased funding for multilateral programs; (b) what sectors within the multilateral programs have seen an increase in funding; (c) what sectors within the bilateral programs have seen a decrease in funding; (d) was multilateral spending increased for maternal, newborn and child health; (e) has funding for education decreased or increased, and for which Organization for Economic Co-operation and Development Assistance Committee codes; (f) why was there an unused balance of the Crisis Pool Quick Release mechanism; and (g) can the balance of a certain mechanism's unused funds be reallocated to different programs?

(Return tabled)

[English]

**Mr. Tom Lukiwski:** Mr. Speaker, finally, I ask that the remaining questions be allowed to stand.

**The Speaker:** Is that agreed?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[English]

**BUSINESS OF SUPPLY**

## OPPOSITION MOTION—INCOME SPLITTING

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP)** moved:

That, in the opinion of the House, the drastic increase in income inequality under recent Liberal and Conservative governments harms Canadian society; and that the House express its opposition to the Conservative income splitting proposal which will make this problem worse and provide no benefit to 86% of Canadians.

**The Acting Speaker (Mr. Bruce Stanton):** Before we begin, since today is the final allotted day for the supply period ending June 23, the House will go through the usual procedures to consider and dispose of the supply bills.

In view of recent practices, do hon. members agree that the bills be distributed now?

**Some hon. members:** Agreed.

[Translation]

**Mr. Nathan Cullen:** Mr. Speaker, I would like to thank my colleagues.

Clearly, this issue is of particular importance to the NDP. It is a question of the inequality created by the Conservatives, and the Liberals as well.

Today we will be dealing specifically with the plan the Conservatives presented to Canadians during the 2011 election campaign. We will talk about the concerns it raises because it is quite possible, under the current circumstances, that this plan will be implemented. We will explain exactly what the plan entails and why it is totally wrong for Canadians.

•(1015)

[English]

Let me start with the basics of what the Conservatives have proposed, and this goes back to a 2011 campaign promise. I suppose in the midst of a campaign, politicians from time to time get excited or in some cases desperate to gain power, as the Prime Minister was. In that desperation and excitement they make promises that are very bad promises with respect to a policy that they would actually want to invoke one day. That is exactly what this is.

This is a \$5-billion income-splitting scheme that the Conservatives have proposed that would not help upwards of 85% of Canadians. Let us pause for a moment. It is a \$5-billion scheme that 85% of Canadians would see no benefit whatsoever from. That fact is actually increasing with recent reports. We have one report out today from the Broadbent Institute, called "The Big Split", that says the number of Canadians who will miss out on this particular program might be quite a bit higher.

It is not just from progressive think tanks; it is also from groups like C.D. Howe. It is also from very conservative economists across the country who have come out and said that the proposal as offered by the Conservatives is one that would increase income inequality in this country. It would further push the tax burden onto the middle- and working-class Canadians and away from those who are earning the most.

We know that over the last 30 to 35 years income inequality has increased dramatically in Canada. Some 90% or more of that was experienced under Liberal regimes, which is, I suppose, telling of the traditional Liberal way of campaigning, which is to campaign to the left but govern to the right. A massive amount of inequality went on under the Liberals but the Conservatives picked up that bad tradition and have continued it. We see income inequality increasing. A recent Parliamentary Budget Office report showed that of the recent tax breaks that came, those people in the 20% top-earning tax bracket took home \$11 billion in benefits, fully 36% of all that was offered. The bottom 20%, those we would think they would be most interested in helping out, took home a little less than \$2 billion of what was offered, so less than 6%. The top 20% get more than one-third of the benefit, and the bottom 20% get around 6% of the benefit.

That is the Conservative ideology. We understand that. We disagree with it fundamentally as New Democrats, and we see increasing disagreement about the Conservative ideology and plans because income inequality hurts the economy broadly. It does not just hurt those who are most impacted and affected.

We have also seen a second tax shift that has gone on and it is not just increasing the burden to the middle and lower incomes in Canada. We have also seen a tax shift away from corporations under the Conservatives. Just since the Conservatives' taking power, the corporate tax burden has dropped by almost \$4.5 billion while personal income tax has increased by \$15 billion. When they ask who is paying for all the services that Canadians rely upon, such as the police and the fire and the health and education services, all of those things, and they wonder who is picking up the tab, they see that under a Conservative world view they do not believe corporations should have any part in that. The Conservatives do not think that corporations derive any benefit, I suppose, so why should they pay for it?

We know that good transportation systems, good urban transit, good health care, and good education support not just those who are directly implicated but help the entire economy more broadly, because healthy and smart workers make for a profitable and prosperous economy. However, the Conservative world view says that corporations should not have to pay for any of that, that individuals should pay more and more, and we see that in the numbers.

The Conservatives are entitled to their own opinion on this issue, but they are not entitled to their own facts. The facts speak clearly and loudly that there have been increasing shifts in the burden of taxes away from the rich to the middle class and lower incomes and away from corporations to the individual. Those two shifts have been very destructive to millions of Canadian families and, I would argue, have hindered the Canadian economy writ large.

### *Business of Supply*

We wish that the Conservatives would at least take the Hippocratic oath and just promise to please do no harm, because they have made things bad and they now propose to make things worse. They somehow believe that the answer to income inequality is to have more income inequality. The suggestion from the current finance minister is that this type of income-splitting scheme, which is going to cost the treasury upward of \$5 billion and only benefit less than 15% of Canadians, and will only benefit the 15% of Canadians who least need the help, is a good plan for Canada.

I will give the Conservatives credit for this. They have somehow managed to unify right- and left-thinking economists in this country. This is a rare feat. This is kind of hard to do, because if we put three economists in a room, we end up with five opinions, but on income splitting the Conservatives have managed to bring all the economists to one side, whether they are progressive or more conservative thinkers. As the C.D. Howe Institute said, this policy does more harm than good. It has also garnered a certain amount of attention from Canada's leading papers. Let me read a couple of quotes.

The first one is in the *Ottawa Citizen*, which states:

Income splitting is a tax cut for the rich...

There are many ways in which Canada could spend [this money].... We could come up with tax policies to help low and middle-income citizens. We could cut taxes across the board, for all taxpayers, instead of using the tax system to make value judgments about which kinds of families should get tax breaks.

Let us talk about which kinds of families those are. Who would benefit is a relatively short list that one can quickly and easily define. As the Broadbent Institute calls it, it is the *Mad Men* family. It takes us back to the 1950s, maybe the 1960s, where there was one income earner who was earning quite a bit of money and the spouse earning very little. That is who would benefit from this.

Who would not benefit is a long list, and we should go through it. There will probably be a bunch of Conservative ads on this, if history is any teacher, and a lot of Canadians might think that they can see themselves benefiting, maybe it applies to them and will help out their families. This would not help people whose kids are over 18. It would not help people who do not have kids. Imagine that. It would not help people who are not married and with kids under 18. It would not help people who are married with kids under 18, but are in the same income bracket. All of the people I just listed would get no benefit from this scheme whatsoever. When we start to whittle it down to find out who it would actually benefit, more and more we see that it would benefit people who do not actually need it.

● (1020)

[*Translation*]

This is not just a question of economics; it is a question of morality.

After years of deficits, we will finally have a surplus of approximately \$5 billion to \$6 billion. Now the question is: how does the government want to use this money to help Canadians?

*Business of Supply*

The Conservatives made a promise during the 2011 election campaign. However, all of the facts are contrary to what the Conservatives claim their intentions are. The new Minister of Finance is saying it is an excellent idea.

[English]

There is something in government that we should all adhere to that talks about evidence-based decision-making, but with Conservatives, more and more there is decision-based evidence-making. What they do is make a decision based on their ideology or some hope in the midst of an election to gain a few more votes and pull the wool over Canadians' eyes, and then they reverse themselves and try to find some evidence to support that ideology, even if it does not exist.

I understand that the Conservatives are unlikely to listen to the editorial board of the *Ottawa Citizen* or perhaps *The Globe and Mail* that says income splitting needs to be reconsidered or abandoned in favour of a better use of surpluses, that if the government wants to cut taxes, this is not the way to do it, or that the Tory proposal was ill-considered from the start.

Maybe they would listen to the C.D. Howe Institute, as they are strong supporters of it, who said:

The splitting proposal would significantly raise marginal effective tax rates for most lower-earning spouses, thus imposing barriers for working or returning to work; this would make married women more vulnerable by reducing their work experience.

And if the objective is to provide support to families in raising children, it would distribute most benefits where they are least likely to be needed.

The C.D. Howe Institute said that if this is the target for the Conservatives, if this is who they are trying to help, then this policy will not help.

There is something in the midst of that quotation that is important, another inequality that would be perpetrated by the Conservatives, that is:

...thus imposing barriers for working or returning to work; this would make married women more vulnerable by reducing their work experience.

This would put further pressure on women to not enter or re-enter the workforce. Why would the Conservatives want to do that when all we hear from economists, the banks through the progressive side, from the manufacturers association, from basically every key group in the Canadian economy, is that we need more women in the workforce, we need women who have left the workforce to come back in and to have that choice? The Conservatives knowingly would invoke a policy that would resist that and would say no to that.

We know that women on average earn 16% less than men in Canada. That is a deplorable fact, but that fact should have some bearing on the way the Conservatives design tax policy. If women are earning a significant amount less than their male counterparts on average and they are married and may even possibly benefit and fall into that rare 14% of this category, the pressure would be on them to stay home because they are earning less on average. The Conservatives know this.

They may have a *Leave it to Beaver* kind of world view, a throwback to Ward and June Cleaver and that all things will be good, and that is how the world ought to be oriented. I know there are some Conservatives who believe that. This is 2014. This is an idea

that most right-thinking people, most progressive people, have long since left behind. The Conservatives say that maybe the only place for a woman is in the home or something. We believe a woman's place is in the House of Commons.

This policy explicitly supports the Conservative world view, which we think is wrong. They are trying to do some social engineering here, through the tax code, and we know that the Conservatives love their boutique tax credits. They like to tell Canadians how to think and shop and what programs to put their kids into and little incentives here. They love to put their hand in the market and put their hand on the scale. They like some free market but not all free market. They like to intervene on mortgage rates and all sorts of things and interfere. I often imagine what it would be like if a New Democrat finance minister phoned up the banks and asked them to change their mortgage rates.

Let me quote my departed friend because I think the voice of Mr. Flaherty, God rest his soul, is important in this debate. Before he left the finance minister's office Mr. Flaherty had some strong opinions about this particular policy we are talking about today, about income splitting. If nothing else, if none of the facts give any of my Conservative colleagues pause or none of the opinions held by the leading economists in this country about how bad this policy is, maybe the words of Mr. Flaherty might.

He said:

It benefits some parts of the Canadian population a lot. And other parts of the Canadian population...not at all.

What he was talking about is that 86% number, the fact that this policy is so directed at so few as to not be worth the \$5-billion price tag.

I know the Conservatives feel like they somehow are entitled to their position in government and that the next election, within a year, cannot come too soon. We see this with governments. Governments age very badly, the current government being a great example. The arrogance and entitlement seems to be something that almost inherently is affected in this place. The fact that the Conservatives would go into that election saying that they are going to wed themselves to this particular policy, as bad as it is, as unequal as it is, as ineffective as it is at helping Canadians but simply out of hubris and pride, shows just how far they have fallen away from their roots of responsible and accountable government.

● (1025)

If the government has some sort of assessment of what this program would do for Canadians, that is much more than the 14% or 15% of Canadian households that would benefit by the income-splitting scheme or that it has not been skewed to the most wealthy of Canadians, then I look forward to the debate today. I know my colleagues, the New Democrats, look forward to hearing the evidence as to why this is such a great scheme and why spending \$5 billion at the federal and provincial levels is a great idea.

*Business of Supply*

It is remarkable that so many Canadians would be excluded. When Conservatives are on the doorsteps in the next election telling people that they have a plan for them, if they are talking to a person who is not married, then I guess they will have to move on to the next door. If they come to a door where the household has children older than 18 who have moved on, then they have to move on to the next doorstep. If at the next door there is a single parent, and I was raised singly by my mom, that parent will not benefit from this.

I would think that if we were to spend this kind of money to try to target and help families, which is what the Conservatives are claiming to do with this policy, then we would try to help those families that are struggling to make ends meet. We would try to help those families that, for more than 30 years, have suffered through growing inequality and that, under the Conservatives, have seen so much less of the benefits.

I have listed the statistics before, but I will do it again. Out of the Conservative tax breaks, the bottom 20% got around 6% of the benefit, and the top 20% got 36% of the benefit. Maybe that is another golf membership or jacuzzi in the backyard for some, but for those families struggling to pay the bills, it is offensive that the Conservative government keeps ignoring the basic needs of families trying to get their kids to school and offer their children better hope.

For the first time in many generations in our country, all the evidence is pointing to the generation following having a lower quality of life than what we are experiencing right now. If there is any wish parents have for their children, it is that they will have equal or better opportunities than the parent did. However, the opportunity gap grows with the income gap. The gap in opportunity that is afforded to middle-class and working-class Canadians and their children is growing. The gap in accessing better education and training, to that first job, to get that first business loan to start that new enterprise, is growing.

As was once said by an American politician, it becomes a society of the haves and the have mores. Under this policy, that is something the government is going to promote.

The government will say that those who already have great resources, who have benefited greatly by living in this society and prospering through their own hard work or through some endowment are going to get more under the Conservatives because they feel they deserve more for just being who they are. However, those in the middle and lower incomes will get less. They will access less and their services will be cut because we know what the Conservative government has been doing. It is lowering expectations, lowering services, reducing health transfers and gutting environmental policies. It is doing all of this in some nefarious scheme to say to Canadians that they should not expect much from government, particularly if one is so unlucky to have been born into the middle or lower classes.

One of the concerns that economists are expressing to us is what they call a "stratification" of the economy. Canada, for many generations, has enjoyed the possibility that, regardless of where or at what income level one was born, there was a possibility that one could improve one's lot through hard work and dedication. To take that hope away from people is more than discouraging; it is despicable.

This is something that no government should promote. However, we hear it time and again from across the political spectrum, from economists to the C.D. Howe Institute to the Broadbent Institute to the Canadian Centre for Policy Alternatives to Conservative economists and left-wing economists. They agree that this program, this \$5 billion income-splitting scheme will offer benefit to very few people.

The New Democrats oppose this proposal because it disproportionately helps those who do not need it and hurts those who need a hand. As New Democrats, there is nothing more fundamental for us, it goes to our DNA, we believe the role of government is the thing that we do when we come together to accomplish that which we cannot accomplish alone.

•(1030)

We look to help our neighbours. We look to care for our neighbour's children, not cast them aside. We do not invoke policies based on pure ideology to gain a couple of points in an election poll, rather than design government as it should be, based on sound evidence.

A progressive government, in perhaps a year or even a little less, will have the opportunity to offer Canadians just that.

•(1035)

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, I would like to congratulate the member opposite. I am not surprised that the NDP will vote against yet another way to give Canadians some of their money back.

What I would like the member to try to understand, if possible, is that doctors do not make a diagnosis based on one test or by looking at one cell. It is based on the collective assessment of all the tests. What I mean by this is that this is just one additional way the Conservative government can give Canadians more of their money back.

We have brought in tax reductions for farmers, families, students, businesses and seniors. In fact, we have brought in 160 different tax reduction policies. This is yet one. The NDP voted against all the other 160 reductions. Why would it vote against yet another reason to give Canadians back more of their hard earned tax dollars?

**Mr. Nathan Cullen:** Mr. Speaker, I thank my colleague from the Conservative cabinet, the largest one in Canadian history. Did he know that? For the penny pinching Conservatives, they found space for just about everybody in the Conservative caucus in the cabinet and are handing out this little perks and baubles, but not when it comes to Canadians and the services that they want.

*Business of Supply*

My friend omitted something from his question when he talked about giving Canadians money back through this policy. He did not say which Canadians, did he? He did not say that only 14% of Canadians would benefit from this policy and that it would be skewed toward the wealthiest Canadians. He did not say that. He just said “Canadians” broadly.

This is how the Conservatives approach these questions. They hope Canadians are not paying any attention. They hope Canadians will somehow see themselves in a program for which they do not qualify. That is a total of 86% of people who are listening to this broadcast, 86% of people who are going to vote in the next election.

They are smarter than that. We have confidence in the intelligence of Canadians to see through this charade, that they would not benefit. This is for the haves, not everybody else, and my friend across the way absolutely knows it.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, in reading the motion, one cannot help but think why the NDP has chosen to bring a motion that would incorporate the Liberals, as if the NDP is on a high horse. I would suggest that it needs to get off that high horse.

I come from Manitoba, where there has been an NDP administration for a decade now. Income inequality has continued to grow under the New Democratic government in Manitoba. When the member talks about giving corporate tax breaks, I would suggest that it is likely that the Manitoba NDP has given more corporate tax breaks than any other provincial government.

I would like to quote the Premier of Manitoba. He said, “The general Corporation Income Tax rate will drop to 12%...This tax was 17% when we took office and our reductions since then are the first in half a century.” He is glowing about the number of corporate tax breaks. This is from an NDP government.

Does the federal NDP and the Leader of the Opposition still endorse the NDP government in Manitoba to the degree that he has stated?

**Mr. Nathan Cullen:** Mr. Speaker, I often wonder what my friend is doing here because he spends most of his time talking about the Manitoba legislature. I know he was there for a number of years. He misses it and that is fair enough. We all miss things that we used to love and had a modicum of success in, but were rejected overwhelmingly. So be it.

The Liberals hand out \$100 billion in corporate taxes at the federal level, in the federal House, which is what we are talking about—

**Mr. Kevin Lamoureux:** The NDP doing that in a federal—

**Mr. Nathan Cullen:** Be quiet.

Mr. Speaker, they hand out \$100 billion at the—

**Some hon. members:** Oh, oh!

**The Acting Speaker (Mr. Bruce Stanton):** Order, please. I can tell the subject today is of great interest to the hon. members who are in the House today. However, it is important that all hon. members have the chance to hear the commentary.

The hon. member for Skeena—Bulkley Valley will finish up and then we will go to the next question.

**Mr. Nathan Cullen:** Mr. Speaker, here is what happens. When the Manitoba NDP, if he wants to talk provincial politics, reduces the small business income tax rate to zero, it is to stimulate small businesses—

**An hon. member:** To what?

• (1040)

**Mr. Nathan Cullen:** Mr. Speaker, it is zero. It is to help create jobs, which they do.

When the federal Liberals, under Paul Martin, handed out \$100 billion of income tax breaks to the largest and most profitable corporations, it came without any strings attached.

As Mr. Flaherty said to corporate Canada, which is sitting on \$500 billion of what economists call “dead money”, that money went out the door without the jobs being created. We see that in the evidence in the 7% unemployment rate and a youth unemployment rate that is still stuck at recession levels.

If my friend wants to talk facts, absolutely, let us talk about them. Is he supporting this scheme? That would be an even more curious question for the Liberals to answer today.

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, I would like to thank my hon. friend for leading off this very important, indeed historic, debate, putting the issue of income splitting in the broader context of the growing inequality in our country.

I would like to ask my colleague for his comments on a quote from the late finance minister, our friend, Mr. Flaherty. On February 12, he was quoted in *The Globe and Mail*. He said:

You know, it's an interesting idea. I'm just one voice. It benefits some parts of the Canadian population a lot and other parts of the Canadian population virtually not at all. And I'd like to think I'm analytical as finance minister, so when we discuss it eventually in cabinet and caucus I will present my analysis to my colleagues.

Why does my colleague expect the former finance minister would have indicated that this policy would not assist some part of the population at all and, as an analysis, was not well founded?

**Mr. Nathan Cullen:** Mr. Speaker, the quote is quite insightful because what we know is the finance department has done a study on income splitting and has come to some conclusions. We have asked the new Minister of Finance several times for a copy of that taxpayer funded report, but he will not offer it. Mr. Flaherty referenced it many times, and it was the source of his consternation and concern about the inequality of the scheme.

One would think the Conservatives would at least have something here today that would say this was in fact a much more equal program that would help a certain number of Canadian families, that they thought it was a great program and worth the \$5 billion. I am doubtful, but hope springs eternal in this place. One always imagines that the Conservatives might use evidence one day to justify their tax policies. Maybe that day is today.

*Business of Supply*

**Mr. Harold Albrecht (Kitchener—Conestoga, CPC):** Mr. Speaker, I was interested in hearing how gloomy things were back in the 1960s and 1970s when my colleague was growing up and how bad the family structure was back then. However, he spent most of his time pointing out all of the Canadians who would not benefit from this tax proposal. I wonder if my colleague would point out how many Canadians did not benefit from the investment of taxpayer dollars into the satellite offices that my colleague and his friends set up. How many Canadians did not benefit from those mailings that went out in franked envelopes paid for by the taxpayers, which had NDP partisan material inserted in them?

It is important to realize that those tax dollars could have easily helped to reduce the tax burden on Canadians across Canada, including those who are trying to raise children under 18, who this policy would definitely benefit. It would help them with clothing allowances, education, sports and the things that all of us in the House think are important for young families to give to their children.

Could he point out the big savings that would have occurred if the members of the NDP would not have spent those millions of dollars on those partisan activities?

**The Acting Speaker (Mr. Bruce Stanton):** I appreciate the member for Kitchener—Conestoga's reference to a comparison on this point. As has been raised on other occasions, especially during questions and comments, we do try to keep the questions relevant to the matter that is before the House. I am not so sure that area is relevant to this question, but I will certainly let the hon. member for Skeena—Bulkley Valley field the question if he so wishes.

**Mr. Nathan Cullen:** Mr. Speaker, the Conservatives spent \$170 million on economic action plan ads. What a fantastic waste of taxpayer money.

I am a bit disappointed in my friend. Usually when Conservatives run out of any arguments or evidence, they quickly grab on to some fictitious carbon tax. I am disappointed that this is not the talking point anymore because that was always fun to refute and to ask them why they were so angry at the Alberta government, or the B.C. government for that matter, for its policies.

To his point about helping Canadians, that is the entire point of this day, talking about how few Canadians would benefit from this \$5 billion scheme that the Conservatives have proposed. If my friend actually had contrary evidence, if he had a list of Canadians who would benefit, that it was much more than the 14% of predominantly wealthy Canadians who would get this and that it was some other group of Canadians, then so be it. However, he does not present facts.

The Conservatives do not present facts; they present the ad hominem attacks. That is fine. That is their way. We will go to Canadians with evidence, facts and numbers that are supported across the political spectrum. We feel confident with our position on this. The Conservatives use personal attacks showing their lack of confidence in their policy.

• (1045)

**Ms. Joyce Bateman (Winnipeg South Centre, CPC):** Mr. Speaker, I would first like to clarify that it is my absolute pleasure to split my time with the Parliamentary Secretary for Status of Women.

I am pleased to respond to the extremely misguided motion proposed by the hon. member for Skeena—Bulkley Valley in regard to income equality.

In his earlier comments, it seemed that he was putting women in the kitchen. I am proud to say that I am a woman. I am a member of the House of Commons. I am a chartered accountant, and I am a mother. I am proud of all of these roles. Apparently, the hon. member is not comfortable with that kind of diversity in our caucuses.

Today I would like to reassure the hon. member that our government's top priority remains focused on creating jobs, economic growth, and long-term prosperity for future generations, for our children. At the same time, we are ensuring that all Canadians have the opportunity to share in the benefits of a strong economy. That is progressive.

I would like to highlight what our government's economic action plan has done to reduce taxes for Canadian families like members' families and mine, since taking office in 2006.

I am not surprised that the NDP is against a tax cut to put money in the pockets of Canadians. Everyone in the House is well aware of that party's record for opposing tax relief for Canadians. This attitude is precisely why the NDP, in all of its socialist wisdom, knows how to spend money better than those who earn it. We disagree.

I would like to talk about our government's strong record of tax relief for Canadians, both low income and middle income.

Since we have formed government, Canadians have benefited from significant broad-based tax cuts. These tax reductions have given individuals and families more flexibility to make the choices that are right for them. The average Canadian family of four will pay close to \$3,400 less in taxes, this year and every year to come.

These significant savings come from a variety of sources, such as a reduction in the GST rate to 5% from 7%, a tax cut that the Parliamentary Budget Officer noted is progressive and that significantly helps lower-income families. Of course, the opposition voted against this significant relief for low-income Canadians.

We also increased the amount that all Canadians can earn without paying federal tax, a measure that has helped low and middle-income Canadians across the spectrum. Again, it was opposed.

We took 380,000 Canadian seniors off the tax roll completely because they no longer have to pay federal taxes. I am sorry to say that, at least in my province, they still pay significant provincial tax.

Our government introduced the working income tax benefit to help low-income Canadians over the welfare wall. Yet again, this was opposed by the opposition.

*Business of Supply*

We have also introduced the universal child care benefit, which is helping young families across the spectrum. Again, it was opposed, with the Liberals famously saying that all it would do is to allow families to buy more beer and popcorn. That is not what families do in my riding. They invest in their children and their children's future.

It boggles the mind just how ideologically opposed the opposition is to allowing Canadian families to have more money and to make the decisions that are right for them.

However, that is just the beginning.

Our Conservative government has also introduced numerous targeted tax reduction measures. For example, we have helped families by introducing the children's fitness tax credit and the children's arts tax credit.

We have introduced the registered disability savings plan to help individuals with severe disabilities and their families save for their children's long-term financial security.

We have enhanced support to caregivers of infirm, dependent family members by introducing the family caregiver tax credit.

We have provided annual targeted tax relief for seniors and pensioners by increasing the age credit and the pension income credit amounts.

● (1050)

We have provided further support to students, especially to their families, because a lot of families help their children to get through university. We have now exempted scholarship income from taxation. That was a big change. We have introduced a textbook tax credit, and we are making registered education savings plans more responsive to changing needs.

We have introduced pension income splitting for seniors, which has had a huge and helpful impact on so many seniors, and we have introduced the public transit tax credit, to encourage public transit use and again put more money in the pockets of the people who use it.

We have introduced the tax-free savings account, the most significant change to taxation since the introduction of RRSPs, in 1957. In total, our government will have provided almost \$160 billion in tax relief for Canadian families and individuals over the last six-year period.

Let me point out to the opposition that Canadians, at all income levels, are benefiting from tax relief introduced by our government, with low-income and middle-income Canadians receiving proportionately greater relief than higher-income Canadians. In fact, the federal tax burden is the lowest that it has been for all Canadians in 50 years. More than one million low-income Canadians have been completely removed from the tax rolls as a result of the tax relief provided by our government. That leads to real income equality.

Canadian families, in all major income groups, have seen increases of about 10% or more in their real after-tax, after-transfer income, since we, the Conservative Party of Canada, have formed government. Canadian families in the lowest income group have seen a 14% increase in real income.

Moreover, Canadian families in all major income groups had higher income, after taxes, transfers, and inflation, in 2011, than they had prior to the recession. That is great news for Canadians.

The share of Canadians living in low-income families has also fallen to its lowest level in three decades. Canadian children from poor families have a higher probability of moving up the income scale than similar children in such countries as the United States, the United Kingdom, France, or Sweden. This confirms that our low-tax plan for job creation, economic growth, and long-term prosperity is in fact working.

Going forward, the government will keep taxes low and will examine ways to provide further tax relief for Canadians, while returning to balanced budgets.

Of course, the leader of the NDP claims that the average Canadian family earns 7% less than they did 35 years ago. This figure is wrong and is based on median market income of Canadians before tax, before transfer income. This is not new math; this is bad math. We have to take all of the factors into account when we do any kind of calculation.

This figure does not adjust for the fact that the average number of people in Canadian families has actually declined over the last three decades, and overlooks the impact of taxes and transfers. Controlling for the changing composition of Canadian families and accounting for the impact of taxes and transfers, the income of middle-income families has increased by 31%, since 1976.

Our government has shown that we are providing the support that hard-working Canadian families need. Our recent budgets have built upon our record of supporting families and communities while establishing a path for returning to balanced budgets.

Economic action plan 2014 supports families by keeping taxes low; better recognizing the costs of adopting a child; helping to lower the prices of consumer goods; better protecting financial consumers, including seniors; and promoting low-cost and secure pension options.

Our approach is working. I am very optimistic about our prospects as a nation, and I am very optimistic about the opportunities that will be available because of economic action plan 2014, for our children, for the future, for our seniors, and for Canadian families, who now have more money in their pockets.

Conservatives believe that Canadian families know how to spend their money. They do not need the NDP to spend it for them.

● (1055)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I listened to my friend's speech. However, I am a bit confused, in that she did not talk about the Conservatives' income-splitting scheme, which is today's topic.

She could perhaps clarify if she is in support of the \$5-billion income-splitting scheme, as has been suggested by the finance minister as being a good policy. We know Mr. Flaherty thought it was a worrisome policy.

*Business of Supply*

I know she has been given direction from her friend across the way to say that this is a universal conversation. However, this is just a very clear, simple, and respectful question. Is she in favour of the income-splitting scheme, as has been suggested by the current finance minister, the \$5-billion program that Conservatives talked about in the 2011 election?

It is not a new thing. It is not unknown. The Conservatives have talked about it. The finance minister says he is supportive. I wonder if my friend is supportive as well.

**Ms. Joyce Bateman:** Mr. Speaker, while the hon. member evoked the name of the late Jim Flaherty in this House today, he did not listen to what Jim Flaherty said. Jim Flaherty was perfectly clear when he delivered economic action plan 2014.

Number one, we are going to reduce the budget. We are going to reduce the deficit so we do not mortgage the future of our children. That was number one.

Number two, the late minister Flaherty was perfectly clear that we are going to look at all kinds of tax reductions.

Contrary to the opposition, we believe that Canadian families can do a better job of spending money on their children and investing where they believe it matters than having the NDP spend it for them.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, my question for the member is with regard to the income inequality that exists today. We have a growing number of wealthy people who are getting wealthier, versus those at the other end of the spectrum.

My question for the member is this. Does she foresee where the Conservatives will try to narrow the gap so that we would be enhancing life for the middle class in Canada? If so, when does she anticipate that we will be seeing such actions that would provide a tangible result?

**Ms. Joyce Bateman:** Mr. Speaker, I appreciate the comments and questions from my hon. colleague from Winnipeg. He made a very interesting point in his questions to the previous speaker. He made the comment that the NDP government in Manitoba has not put in tax cuts for seniors.

We have taken 380,000 senior citizens in Canada off of the tax roll. In Manitoba, those senior citizens who pay no federal income tax do pay provincial income tax. That is a scandal.

As for the middle class, we have received a commendation from the Parliamentary Budget Officer. He indicated that the middle class has never been better off, and *The New York Times* says the same.

• (1100)

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, I want to congratulate my colleague for what I see as a great speech. I want to congratulate her for bringing together the bigger picture that this government is attempting to do, which is to create a very efficient way of running the country, keeping health care transfers at the highest level ever, social transfers to the provinces, but also reducing taxes in every area we can think of. She makes a valid point that people know how to spend their money better than any government.

In Ontario, for example, we have a provincial government which has tax rates that are out of control. Electricity rates are the highest in North America. People are taxed to death and see money wasted every day.

I wonder if the member would comment on all of the tax initiatives that this government brings forward, and not just this one. It is about the whole picture of making Canadians lives much better.

**Ms. Joyce Bateman:** Mr. Speaker, even if I had all day, I could not possibly speak to all the tax cuts, in detail, the government has delivered.

Yesterday, and throughout the week, the Minister of State for Finance has made it clear that we are in a leadership position in terms of reducing taxes. We are asking all other levels of government to reduce taxes on Canadian citizens as well. That is our plan, and it is going to work.

**Mrs. Susan Truppe (Parliamentary Secretary for Status of Women, CPC):** Mr. Speaker, I am pleased to have this opportunity to address the motion before us.

I would like to take my time today to describe how our government's economic policies have strengthened Canada's middle class. We all know that a strong middle class is vital for Canada's economy. However, while the NDP and Liberals claim to advocate on behalf of the middle class, it is our government that is delivering results. Consider the following: a recent Statistics Canada study revealed that since this government has taken office, the middle class has flourished significantly, and I quote:

The median net worth of Canadian family units was \$243,800 in 2012, up 44.5% from 2005 and almost 80% more than the 1999 median of \$137,000, adjusted for inflation.

Another study, one from *The New York Times*, indicates that Canada's middle class is better off financially than that of the U.S.:

After-tax middle-class incomes in Canada—substantially behind in 2000—now appear to be higher than in the United States. Further, since 2006, Canadian families in all major income groups have seen increases of about 10% or more in the take-home incomes.

These statistics are remarkable in their own right, but they are even more impressive when we consider the global economic challenges Canada has navigated during this period. Indeed, we experienced the worst global recession since the Second World War, yet our economic performance during both the recession and the recovery is among the strongest in the world.

Over one million net new jobs have been added since the height of the recession, the vast majority of which are full-time and in the private sector. This is one of the strongest job creation records in the G7.

*Business of Supply*

At a time when Canada's financial systems were brought to the brink of bankruptcy, Canada's banks remained the soundest in the world. When other countries increased taxes, our government kept taxes at record lows. In fact, the federal tax burden is at its lowest level in 50 years.

Unlike the opposition, we believe that leaving more money in the pockets of hard-working Canadian families is a good thing. That extra money provides flexibility to make the choices that are best for them. It also helps build a solid foundation for future economic growth, more jobs, and living standards for all Canadians. That is why our Conservative government has proudly introduced close to 180 tax relief measures since taking office, reducing taxes in every way the government collects them.

What is more, Canadians at all income levels are benefiting from tax relief, with low- and middle-income Canadians receiving proportionately greater relief, as the Parliamentary Budget Officer recently confirmed. Indeed, Canadian families in all income groups have seen increases of about 10% or more in their take-home pay since 2006. In 2014, the average Canadian family is saving close to \$3,400 in taxes, while one million low-income Canadians have been removed from the tax rolls altogether. This is historic tax relief.

Unfortunately, the tax-and-spend opposition continues to oppose each and every one of our tax cuts. Let me take this opportunity to remind it of some of the tax reductions it voted against: cutting the lowest personal income tax rate to 15%; increasing the amount Canadians can earn tax free; reducing the GST from 7% to 5%, putting more than \$1,000 back in the pockets of an average family of four in 2014; and establishing the landmark tax-free savings account, the most significant advance in the tax treatment of personal savings since the RRSP.

In addition, the opposition has opposed a variety of tax credits that recognize the costs borne by hard-working Canadian families, credits like the child tax credit, the children's fitness tax credit, the children's arts tax credit, the family caregiver tax credit, and the first-time home buyers' tax credit. They were against other target measures to help Canadian families, including the home buyers' plan, the adoption expense tax credit, and the medical expense tax credit.

We have also enhanced benefits for families and individuals, which the opposition also voted against. These include the universal child care benefit, which offers families more choice in child care by providing up to \$1,200 a year for each child under age six, and the working income tax benefit.

More recently, in economic action plan 2014, our government proposed a number of measures to expand tax relief for health care services. These included exempting the professional services of acupuncturists and naturopathic doctors from the GST and HST.

To support people with disabilities, our government introduced the registered disability savings plan, or RDSP, in budget 2007. The RDSP is widely regarded as a major policy innovation and positive development in helping to ensure the long-term financial security of those with severe disabilities. Since becoming available in 2008, over 81,000 RDSPs have been opened.

These important measures are a handful of examples illustrating how our government has responded to the needs of Canadian families and has helped Canadians keep more of their hard-earned money.

• (1105)

However, as we frequently see, the opposition members reject our efforts to lower taxes for Canadians. They prefer that we adopt dangerous economic policies such as a carbon tax that could kill businesses, investment, and jobs and hurt Canadian families to further their own misguided agenda. We will not engage in reckless spending that would inevitably be paid for by middle-class families. Unlike the opposition, we believe in spending taxpayer dollars efficiently, effectively, and only when necessary. After all, Canadian families know the importance of living within their means, and they expect governments to do the same. That leads me to my final point.

Perhaps one of the most profound ways we are helping Canadians is by making sure that future generations will not be paying for past obligations of their parents and grandparents by returning to balanced budgets in 2015. By returning to surplus, we would ensure solid, stable prosperity for all Canadians well into the future. Indeed, balancing the budget and reducing debt would ensure that taxpayer dollars would be used to support important social services such as health care rather than for paying interest costs. It would preserve Canada's low-tax plan and allow for further tax reductions, fostering growth and the creation of jobs for the benefit of all Canadians. It would also strengthen the country's ability to respond to longer-term challenges, such as population aging and unexpected global economic shocks.

This government understands the importance of middle-class Canadians, and as our actions have shown, we have listened and we have ensured a middle class for this country that will continue to lead the world. We will continue with our low-tax plan, unlike the tax-and-spend Liberals and New Democrats, whose high-tax, high-spending agenda would threaten jobs and set working families back.

*Business of Supply*

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, we have a debate today on income splitting as proposed by the Conservative government: a \$5-billion scheme the Conservatives have said they campaigned on and that they are going to bring in next year. Is it the Conservatives' plan to actually not talk about income splitting all day? We have had two speeches so far, 10 minutes each, with lots of opportunity for my friend across the way who just spoke, and the one prior, and maybe future Conservatives, to actually say what they think about income splitting, because that is the debate today. They can talk about all sorts of things, and they can use all the political rhetoric they want. However, this is the question I have for my friend. As is currently proposed by the Conservative government, is she in favour of income splitting, yes or no? That is all.

**Mrs. Susan Truppe:** Mr. Speaker, I would just like to say that the comments of the member opposite sort of crack me up, especially in his speech earlier. Those members stand here and rhyme off numbers. They pretend they want to help Canadians, but then the NDP member for Skeena—Bulkley Valley mentioned something about a woman's place being in her home. For the record, I just want to say that this government has done more for women and girls in Canada than any other government. Fortunately for Canadians, those members will not see this side of the House.

As I mentioned earlier, the average Canadian family is saving close to \$3,400 in taxes, while one million low-income Canadians have been removed from the tax rolls. That is what tax relief is about, and that is what we want for Canadians, but then, the member opposite continues to oppose each and every one of our tax cuts. Let me remind members of some of the tax reductions they voted against: cutting the lowest personal income tax rate to 15%—

• (1110)

**The Acting Speaker (Mr. Bruce Stanton):** Order, please. I am just going to take some time for more questions and comments.

The hon. member for Kildonan—St. Paul.

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, I commend my colleague for her very insightful speech, because it listed all the things our government has done to help all families, including middle-class families, with middle-class families now prospering more than ever before in this country. I would like the member to please tell us what has been done for seniors and for those who are disabled, because I did not hear that in the speech.

**Mrs. Susan Truppe:** Mr. Speaker, I would like to thank the member for Kildonan—St. Paul, who does an outstanding job for her constituents and for women across Canada.

In terms of seniors, the government introduced pension income splitting and doubled the maximum amount of income eligible for a pension income credit to \$2,000. We increased the maximum guaranteed income supplement earnings exemption to \$3,500 and introduced the largest increase for the lowest-income GIS recipients in a generation in our economic action plan 2011. We also removed 380,000 senior citizens from the tax rolls completely.

In response to persons with disabilities, the enabling accessibility fund has funded over 1,300 community-based projects, totalling over \$89 million, since its inception. In our economic action plan 2014, we propose to connect persons with disabilities with jobs by

providing \$50 million over three years to the ready, willing and able initiative of the Canadian Association for Community Living and \$11.4 million over four years to support the expansion of vocational training programs for persons with autism spectrum disorder, led by the Sinneave Family Foundation and Autism Speaks Canada.

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, given that we are talking about tax policy and whether a particular tax policy is regressive or progressive, and we believe that income splitting, as designed in the Conservative platform, is a regressive tax policy, would she agree that making the non-refundable tax credits such as the caregiver tax credit, the children's activity tax credit, the volunteer firefighters tax credit, and all those tax credits that currently do not benefit low-income Canadian families, fully refundable, thus enabling low-income families to benefit from them as well, would render our tax system more progressive?

**Mrs. Susan Truppe:** Mr. Speaker, the tax credits the member opposite mentioned are a measure welcomed by many Canadians. I would like to provide some statistics from a report on financial security from Statistics Canada. Statistics Canada found out that the median net worth of Canadian families was up 44.5% from 2005 and almost 80% more than the 1999 median, adjusted for inflation. This is a significant improvement in the wealth of Canadian families, which are benefiting from the policies and tax credits of our Conservative government.

Income inequality has not increased in Canada since 2006, and the proof is in the numbers. We have cut taxes 160 times, saving the average Canadian family over \$3,400 a year, and poverty is at a record low for all Canadians, including children and seniors.

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, I rise this morning to speak on this NDP motion on income inequality and income splitting.

[*Translation*]

This is a two-part motion. The first part is a statement that acknowledges the harmful effect of the increase in inequality on Canadian society and tries to assign blame solely to the Conservative and Liberal governments. The second part is a condemnation of the Conservatives' election promise on income splitting.

• (1115)

[*English*]

I would like to address these two parts in order.

*Business of Supply*

First, in terms of income inequality, I agree with my colleagues in the NDP that rising income inequality is a crucial issue for Canadian families. I also agree that it is harmful to our society and that as members of Parliament, we ought to address it. That is why two years ago, I moved a private member's motion directing the House of Commons finance committee to conduct an in-depth study of income inequality. In the wording of that motion and in my speeches in this place I avoided partisanship and as such obtained support from members of Parliament from all political parties, including sufficient support from Conservative members to actually pass that motion.

The purpose of that study was to identify solutions and to put Parliament on a path of progress toward greater equality of opportunity in Canada. At the time, I asked that all members of the House put partisanship aside and work together on this issue, and we were successful in having the finance committee conduct a study. In the end, the finance committee spent just a small fraction of its time on income inequality compared to its other studies. Despite that, the committee's report to the House identified a number of credible solutions that would improve equality of opportunity for Canadians across the country. It included solutions such as increasing the availability of affordable early child education and care programs, a recommendation that was supported by a variety of witnesses, including the Canadian Medical Association, Canada 2020, TD Economics, and the Canadian Council on Social Development.

[*Translation*]

The report also showed the extent of the problem. It showed that income inequality and equality of opportunity have worsened in Canada over the last generation. The fact is that they have deteriorated under the federal and provincial governments of all parties.

[*English*]

Let us be clear that federal and provincial governments have a shared responsibility for social investment and tax policy and have a responsibility to create conditions for social equity and economic growth and opportunity. This shared responsibility includes all governments, federally and provincially, including NDP governments, although the motion specifically chooses to say "Liberal and Conservative governments" without acknowledging that in fact this is not a partisan issue.

If we are going to deal with this issue effectively, we need to accept that income inequality has grown in Canada, just as it has grown in most of the industrialized world. There are a number of reasons, but some countries are doing a better job than others in maintaining equality of income and equality of opportunity, and those best practices and ideas are what we should be looking at. If we look at Canada's record of rising income inequality, we see that our colleagues in the NDP have taken a selective view of the facts. I encourage them to avoid this temptation, because if we look at the evidence available to us, we get a different perspective.

We can look at Canada's provincial Gini coefficients. StatsCan tracks the annual Gini coefficients for every province back to 1976. Members of the House will already know that the Gini coefficient is the most common way to measure income inequality, with zero representing a completely equal society in which everyone receives

the same income and one representing a society in which all the income would go to one person or family.

When the New Democrats look at these Gini coefficients, they want to focus on total after-tax income. This measurement looks at the inequality that remains after governments have redistributed income through taxes and transfers. The drafters of today's motion and anyone else who wants to follow along at home can find provincial Gini coefficients for total after-tax income on the StatsCan website in CANSIM Table 202-07051.

The data show us that when the NDP was most recently in government in B.C., from 1991 to 2001, income inequality among B.C. families went up by more than 15%. That is a drastic increase, to borrow a phrase from today's motion. That is after taxes and transfers are factored in.

For individuals living in B.C., the Gini coefficient went up by more than 12%. That is a drastic increase. Ten years of NDP rule left B.C. with the highest rate of income inequality of any province in Canada. That is despite the fact that the NDP inherited the fourth-lowest rate of income inequality when it took office in B.C. Today B.C.'s Gini coefficient sits slightly lower than it did when the NDP left office. Thankfully, I guess, if we were in the blaming business, which I do not think we ought to be, the current Liberal government has been able to undo some of that damage when it comes to income inequality.

The NDP record on income inequality is not much better in Saskatchewan. After 16 years of NDP rule, the Gini coefficient for Saskatchewan households climbed by more than 8%, which is another drastic increase. Even in Manitoba, the most recent data show that income inequality for households is up by 2.5% since the NDP have taken office.

I am only using these examples to point out that the NDP ought not try to make this a partisan issue, because by doing so we distract this House from dealing with the issue itself. The NDP has intentionally tried to prevent a consensus in this House on the issue of income inequality by playing politics and partisanship with us.

The Conservatives would say that income inequality is not an issue. They are wrong. The NDP will try to make it an issue of class warfare and try to divide it along party lines. I think that is also wrong if we are serious about the issue. The issues of rising income inequality and inequality of opportunity are too important and the consequences of inaction too dire for us to be engaged purely in partisan bickering. Canadians will be better off if we work together to understand how we can reduce income inequality and strengthen equality of opportunity. Therefore, I encourage all members of this House to accept the record of their respective parties and let us focus on the future and develop the best public policy responses to this important issue. We need to move on together and work on solutions that can strengthen equality of opportunity.

*Business of Supply*

We also need to address what is probably the worst example of inequality in our country, aboriginal and first nations Canadians. There is a demographic, social, and economic time bomb represented by, among other things, the fact that 400,000 young aboriginal and first nations members will be entering the workforce in the next 10 years. If they have the skills they need to compete and succeed, it would be a good thing for our economy. If they do not, which is the case with many, it will be of dire consequences to our economy and our society. We need to close the first nations and aboriginal non-first nations education system funding gap. That is something we ought to all agree on across party lines.

These are important issues, and the cost of inaction is significantly high. We have heard from the Conference Board of Canada and from the former dean of the Rotman School of Management, Roger Martin. We have heard from the former governor of the Bank of Canada, now Governor of the Bank of England, Mark Carney. All have said that those who say income inequality is not an issue are wrong and that those who want to make it an issue of class warfare are wrong.

We have to focus on equality of opportunity. They have all warned us that rising income inequality and inequality of opportunity will limit economic growth and prosperity and that rising inequality will tear at our social fabric. It causes future generations to lose hope, and it is notable that for the first time a majority of Canadians now believe that today's generation will be worse off than their parents. Rising inequality weakens the public trust in our institutions. As parliamentarians, we must be careful and avoid policies that would lessen equality of opportunity or deepen inequality.

• (1120)

Inequality can rise when governments lose sight of how their policies affect equality of opportunity. For example, the proliferation of non-refundable tax credits is contributing to greater inequality. These tax credits exclude low-income Canadians from any benefit. Another example of a measure that will increase income inequality is the Conservatives' income-splitting scheme, which is, of course, the subject of the second part of today's motion.

In the last general election, the Conservatives vowed to bring in income splitting as soon as the budget was balanced. It was a cornerstone of their 2011 election platform. Some estimate its cost at \$3 billion per year, and I have heard potentially \$5 billion. It is clearly the Conservatives' biggest election promise so far.

During the election, the Prime Minister said that once the budget is balanced, income splitting "...should be one of our highest priorities". According to the fine print, couples with children under 18 would be allowed to split up to \$50,000 of income each year for tax purposes. However, since the election, both the C.D. Howe Institute and the Canadian Centre for Policy Alternatives have published thorough reports showing massive flaws in the Conservatives' plan. They have shown how the Conservatives' promise to bring in income splitting would disproportionately benefit high-income earners at the expense of the middle class and low-income earners. The C.D. Howe Institute has called the Conservatives' income splitting a flawed idea that excludes 85% of Canadian households from any benefit whatsoever.

However, it is not that these low- and middle-income Canadians would be just completely left out of the deal; worse than that, they would end up having to pick up the tab through reductions in social investments that could benefit them, and ultimately they would pay higher taxes in other ways. In the words of the C.D. Howe Institute report, the Conservatives' promise:

...would offer no tax reduction for the great majority of Canadian households, while the government revenue loss would lead to either a curtailment of public services or an increase in their tax burden to make up the shortfall.

In other words, most Canadians will pay for this expensive Conservative tax cut through higher taxes or reduced services or both.

Let us look at some examples of how a family might or might not benefit under the Conservative scheme.

In the Conservatives' budget, they like to give examples of how a family might be impacted by their plan. They even give these family members names. In fact, if we flip to page 190 of the latest budget, we will see that Blake earns \$48,000 and Laurie earns \$72,000. Blake and Laurie and their two children represent the Conservatives' idea of an average middle-class family. In fact, they are on the higher end of the average, and the Conservatives' claim about their savings from previous budgets are a bit skewed.

However, even in the Conservatives' idyllic vision of the middle-class family, Blake and Laurie would not get a penny from the Conservatives' expensive promise to bring in income splitting. Even the fictitious family that the Conservatives cite in their budget would not benefit from income splitting.

If Blake and Laurie would not get anything under the Conservatives' scheme, and the scheme costs \$3 billion per year or more, then who would benefit?

Well, under this scheme, the Prime Minister, who earns \$320,000 per year and has a stay-at-home spouse, would actually save \$6,500 per year. Meanwhile, a Canadian who has a stay-at-home spouse and who earns the average industrial wage would save less than \$10 per week. Most households would get absolutely nothing, including households run by a single parent, a person who is struggling to make ends meet, who has no one else to rely on, and who cannot access good-quality child care and early learning.

Former finance minister Jim Flaherty understood the shortcomings of this plan when he said in February that income splitting needed a long, hard analytical look to see who it affects and to what degree, because he was not sure that overall it would benefit our society.

Shortly after Mr. Flaherty made this statement, *The Globe and Mail* agreed. It published an editorial against the idea, saying:

But Mr. Flaherty is right. Income-splitting needs to be reconsidered, or abandoned in favour of a better use for the federal surpluses that should begin to appear next year. If the government wants to cut taxes, this isn't the way to do it.

The Tory proposal was ill-considered from the start.

*Business of Supply*

● (1125)

With their income-splitting scheme, the Conservatives made a major campaign promise that just was not thought through at the time. Today, with the resources of government and the Department of Finance, the whole government approach, and the capacity of government to research the best practice approaches from around the world and develop sound policy, there is no excuse for the Conservatives not to step back from this and develop a better way to reform our tax system to render it more progressive. We are not in the heat of an election right now.

We have not had a significant study of our personal tax system since 1971 with the Carter commission. Everything has changed in the decades that have ensued in terms of both the global economy and the Canadian economy. Surely there is room for a thorough study of our tax system so as to create a tax system that is fairer, more progressive, and potentially even more globally competitive.

We can look at some examples. Germany has a robust economy, but at the same time, it does not have the same levels of income inequality that we have seen grow in Canada. What is it doing in terms of apprenticeship? What is it doing in terms of skilled trades? What is it doing in its tax system that we could learn from?

The Nordic countries are other examples. Scandinavian countries are sound economic models. They have good growth, and even competitive corporate tax rates in many cases. They also make good investments in progressive social policy, like early learning and child care, as examples.

The Liberal Party is open to supporting tax changes that would benefit middle income Canadians. We introduced the working income tax benefit in the last mini-budget in the autumn of 2005 when the member for Wascana was finance minister. That was an example of progressive social policy that helps people get over the welfare wall.

The child tax benefit was introduced by a Liberal government but continued and expanded under the Conservative government. It is another example of a progressive tax policy that has benefited a lot of Canadian families.

Compare those with the non-refundable tax credits that I mentioned earlier that do not benefit low income Canadians and do not change people's behaviour. If high income earners have children in hockey, they are going to benefit, but even if they do not receive it, their children would still be in hockey.

We ought to be thinking about the low income families for whom a direct benefit might make the difference toward their children being in an activity that could change their lives and improve not just their childhood but put them on track to a productive and healthy life. These are the people we ought to be most concerned about, because they are falling through the cracks, and that comes at a huge social and economic cost, not just to those families but to all of us.

We cannot support an income-splitting scheme that would help high income earners and shift the burden to the already struggling middle-class and low-income families who are having trouble making ends meet. We cannot support a tax cut that would so clearly lead to greater income inequality and inequality of opportunity.

This brings me to the motion before the House today.

We agree that increasing income inequality and a growing inequality of opportunity is harmful to Canadian society. We agree that the Conservatives' income-splitting scheme excludes the vast majority of Canadians from any benefit whatsoever and that it could lead to greater income inequality.

Finally, the fact is that Canada has seen a drastic increase in income inequality under federal and provincial governments of all stripes. This debate ought not be simply about assigning blame but instead be about recognizing the problem and working together across party lines to find solutions. Therefore, the Liberal Party supports the motion.

● (1130)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I thank my colleague for his speech. I was on tenterhooks waiting to find out if the Liberals were going to support the motion.

I understand that there are, perhaps, some hurt feelings, because the motion, as it reads, talks about how recent Liberal and Conservative governments have increased income inequality in Canada. My friend from the Liberal Party wants to debate whether that is a partisan attack or a statement of fact.

The statement of fact is that income inequality has increased dramatically under successive Liberal and Conservative governments. The member then went on in his speech to say that it was more the fault of the provinces, when the Liberals were in power, I suppose. It was not at all connected, in the Liberals' view, to the fact that the Liberal federal government cut transfer payments by as much as 40% to those same provinces. Maybe there is a connection. We argue that there is.

I am very glad that the member was declarative about the Liberals' support for the NDP motion to say that the \$5-billion price tag to this income-splitting scheme would be unfair. We have heard from two Conservative speakers so far who have yet to declare the Conservative position on income splitting at all.

I wonder if my friend could add to the debate and speculate as to why my Conservative colleagues have such a hard time making their opinions known about whether this \$5-billion scheme is supportable or not.

● (1135)

**Hon. Scott Brison:** Mr. Speaker, I have a couple of points on this. I really wish that the New Democrats would actually focus on the issue at hand, which is dealing with income inequality and creating public policy to do that. This motion could have been amended to add "and NDP governments" and it would have been perfectly legitimate, but the question is how productive that is when we ought to be seeking consensus across party lines on this and dealing with the issues that are important.

The member took a swipe at the Conservatives. The Conservatives have not been definitive here today, but I know there were more than 20 Conservatives who voted for my motion to study income inequality at committee. I know that many members of the Conservative Party have a sense that there is a growing inequality of opportunity, that it is wrong, and that we need to do something about it.

*Business of Supply*

In the wording of motions and in our conduct in the House, we should try to appeal to people's better angels from time to time, as opposed to driving divisive wedges between the parties, and actually work together to develop solutions. There is a lot of common ground between the NDP, the Conservatives, and the Liberals when it comes to equality of opportunity. If we frame it as such, we can gain better consensus and build better public policy that respects all parties but, more importantly, deals with an important issue facing Canadians.

**Hon. Pierre Poilievre (Minister of State (Democratic Reform), CPC):** Mr. Speaker, the Conservative Party believes in family tax fairness and choice for parents. That is why we brought in the universal child care benefit. Instead of giving money to bureaucrats, researchers, and activists who failed to create daycare spaces for years, we give it directly to parents so that they can choose what kind of child care they want. That is the fundamental debate we have.

On the question of income splitting, more popularly known as family tax fairness, I support it. I believe it is fair that a single-income family earning \$60,000 should pay roughly the same taxes as a dual-income family earning \$60,000.

We know from the public opinion data that, overwhelmingly, parents favour the option, if they have a choice, of having one parent in the home in the very early years. However, right now it is difficult for people to afford to do that, except for the very rich. We want to make that a possibility for all of those families who would choose it, regardless of their income.

I wonder if the member across will support family tax fairness and support the Conservative proposal for that fairness.

**Hon. Scott Brison:** Mr. Speaker, sometimes, what really frustrates me on issues like this is that we have the occupiers in the NDP and the tea partiers in the Conservatives, without the capacity of actually working together on some of these issues.

The minister referred to early learning and child care. I remember being in the House when he used to call it a national babysitting program. The reality is that early learning and child care are important social investments that create more competitive economies in places like the Nordic countries, for example. He may dismiss these wild-eyed activists, like Margie McCain or Dr. Fraser Mustard, but the reality is that the quantifiable data demonstrates that investments in early learning and child care not only create more social equity but create a more competitive economy.

It is fine to demonize, marginalize, and stigmatize that type of research, but there are just as many economic advantages to those kinds of progressive investments as there are social advantages.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, first I would like to congratulate my colleague on his long-time focus on the issue of income inequality. The hon. member has been talking about income inequality since before the issue started to rise in awareness and started to make headlines.

My question is this. Would the hon. member not agree that income inequality is bad not only for the economy but for democracy? If there is not a strong middle class with purchasing power, then that slows economic growth. That is the importance of reducing income inequality for the economy. However, it is also important for our democracy, because if income inequality grows, people become very

skeptical about whether their government has their best interests at stake. Therefore, there is a double whammy when there is increasing inequality. One is on the economic front and the other on the democratic front.

• (1140)

**Hon. Scott Brison:** Mr. Speaker, the member, my colleague and friend, raises an important issue and that is that, if people feel that the system is broken, that there is no way they can benefit from the system, not only can they give up on the economic system but they can choose political alternatives or opt out completely from the whole political system. We see disfranchisement today with a lot of young people, and the fact that only 22% of first-time eligible voters actually vote may be related to the economic challenges young people face today. They do not hear enough discussion in this place and other legislatures across the country on actually dealing with the issues they face, whether it is their education or their capacity to find work.

The issue of unpaid internships is one that we have dealt with at various points in the House. The fact is that a privileged child from a wealthy family can have a swish unpaid internship when a middle-class or low-income child or adolescent has to go to work at whatever they can do. That deepening of inequality of opportunity at that stage in their lives is really bad for both the economy and society.

I can go further as well. Later today, the Liberal member for Toronto Centre will be speaking. She is a global expert on the whole issue of inequality and the author of the book *Plutocrats*. She will bring her particular insight, which comes from an international perspective on the issue. I would urge all members of Parliament to be here to listen to her discourse later today. It will provide an international perspective and apply it to Canada, as we consider what are the best ways forward and what countries are doing a better job combining robust pro-growth economic policy with good social and progressive tax policies.

[Translation]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Speaker, I am on the Standing Committee on Finance with my colleague from Kings—Hants, and I would not want to leave out an important point, which is that the Conservatives blame the provincial governments for income inequality.

If the motion states that it is the federal Liberal and Conservative governments, that is because the Liberal government reduced spending in the 1990s by 40% for transfers like the Canada social transfer, which includes health care and social assistance.

I know that my colleague was not there, but the Liberal government at the time must take responsibility, which is why it is included in the motion.

However, when he spoke about common ground between the Conservatives, the New Democrats and the Liberals in the House on the issue of income inequality, it is clear that in committee the Conservatives denied the perception that we had of income inequality.

*Business of Supply*

Would my colleague like to comment on the findings in the report of the Standing Committee on Finance and also on this perception that the Conservative government has of income inequality, which differs from ours and even from that of the Liberals?

**Hon. Scott Brison:** Mr. Speaker, the Liberal government under Jean Chrétien inherited the largest deficit in history. At the time, some difficult, but necessary decisions had to be made.

We take responsibility for that. We are not here to blame any party. Every federal and provincial government has to take responsibility for the decisions it makes and do its job by creating progressive policies for the future.

Today, I am a bit disappointed with this NDP motion because it is not necessary to be so divisive on an issue as important as inequality.

• (1145)

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Speaker, I am very pleased to speak to an extremely important issue that I think is going to be one of the election issues in 2015.

We know that this was a Conservative promise, one that was made without much regard for reality or the social impacts of income splitting.

I want to briefly summarize what income splitting is, even though other MPs are generally doing the same. Nonetheless, it is good to go over the basics and the reasoning.

In their 2011 election platform, the Conservatives proposed allowing individuals to transfer a portion of their income to their spouse, to a maximum of \$50,000, in order to put themselves in a lower tax bracket. This applies to families with children, of course.

There are several problems with such a measure. At first glance, it seems like a good idea. I think the government is currently trying to rebrand this measure and find a different name for it. We heard the minister of state talk about justice or fairness for families. On the contrary, this measure is unfair to families. If we look beyond the issue of whether up to \$50,000 can be transferred, we see that this measure mostly benefits people with high incomes. A number of studies—the most notable of which are those conducted by the Canadian Centre for Policy Alternatives and the C.D. Howe Institute—clearly showed that 85% to 86% of families will not benefit at all from this measure. It will benefit only 14% or 15% of Canadian families. How is that fair? It is not.

Clearly, this is an extremely costly measure for the federal government. It will be extremely costly in terms of the public services that will eventually be lost. The government is responsible for providing adequate funding, but the Conservatives have exactly the opposite philosophy in how they govern.

According to the two organizations' estimates, the measure will cost the various levels of government about \$5 billion—\$3 billion for the federal government and about \$2 billion for the provincial governments. However these measures will benefit less than 15% of Canadians. Why are only 15% of Canadians benefiting? Let us look at those who will not benefit from this measure. I have a whole list. Clearly, income splitting will not do anything for single people because it affects families with children. It will not do anything for

couples who do not have any children. It will not do anything for single-parent families, even though they could use a break, because the measure pertains to couples. Clearly, if a person does not have a spouse, income cannot be transferred. This measure will not do anything for families with children over the age of majority, even if those children are still dependants because they are going to school or they have a disability, for example. The taxation system provides for some tax credits in that regard, but the income splitting measure will not do anything for those individuals. Income splitting will not do anything for families where the parents have similar incomes. A family where both spouses are working and earning about \$30,000 will not benefit from this measure at all. This measure does not do anything for parents who earn less than about \$42,000 because they are in the lowest tax bracket. We can therefore see that the list of couples who will benefit from this measure is extremely small.

As a blatant example of inequity, consider the members of this House who have minor children and whose spouses or common-law partners are stay-at-home parents. We are people who would benefit from that. Here in the House, there are a number of members who are still young enough to have minor children. With our salary and a stay-at-home partner, if we can transfer up to a maximum of \$50,000, we would personally benefit from about \$5,000 in tax cuts. Do we want the \$5,000? In society, that might benefit us personally. However, ultimately, we need the money far less than couples who, for instance, have trouble making ends meet and where each person has a salary of \$20,000 or \$25,000. Both must work to provide for their family. We therefore must think of the example we have here in this House.

In terms of the list of exceptions, I will move on to the question of good governance.

• (1150)

As I mentioned, income splitting would increase income inequality, since the wealthiest families would be the ones benefiting from it, as only one spouse needs to work and earns a salary that is high enough to provide for the family.

We are also wondering whether, after balancing the budget, the Conservatives are prepared to do without \$3 billion in revenue.

The Conservative government often talks about the late Jim Flaherty, former finance minister. However, before he died, Mr. Flaherty had given the Conservative government a serious warning that this measure was extremely risky and that it had to be studied because it would only benefit a few segments of society, leaving out many families who would have far greater need of it.

*Business of Supply*

In our view, this measure is completely inappropriate. At the time, Mr. Flaherty had warned the government that this measure was risky because, if the government wanted to balance its budget eventually, it had to make choices. Does the government want to throw the country back into deficit right away by providing additional tax cuts once it balances the budget, or does it want to use the surplus for other things such as debt reduction?

Since the Conservatives took power—so since the 2005 public accounts were released—Canada's debt has increased from \$421 billion to \$667 billion. That figure will be even higher this year. That is an increase of \$256 billion—or over 60%—since the Conservatives took power. Do the Conservatives want to use the future surplus to pay down the debt? No, they are talking about offering tax cuts, which will create an even bigger deficit.

That is what happened when they lowered the GST from 7% to 5% and we saw our revenues drop by \$8 billion a year. In 2008, even before the recession, the Conservatives had started running a deficit as a result of this measure and the additional corporate tax cuts.

The Conservatives brag about being good managers, but at the end of the day, they are the ones who put us in a deficit situation. Aside from the period between 2006 and 2008, when they came to power and eliminated the federal government's fiscal space, the last time a Conservative government introduced a balanced budget was in 1912—yet they brag about being good managers.

My colleague from Kings—Hants mentioned the provinces and income inequality, but he ignored the fact that transfers to the provinces were cut by 40%. These cuts obviously made things tough for the provinces. He blames the provinces for the increase in income inequality. He also blames Liberal, Conservative and New Democrat governments for a situation they inherited from the federal Liberal government at the time.

The NDP has a better record on balancing budgets than provincial and federal Conservative governments. The governments of Tommy Douglas, Gary Doer and Roy Romanow introduced balanced budgets for over 10 to 15 years, and meanwhile, the federal government was running deficits under the Liberals and Conservatives.

The NDP is, without a doubt, the party that is most likely to properly manage public finances for the public good and is considered as the party that properly manages taxpayers' money. After assessing the situation, the Department of Finance agrees with us.

The United States has income splitting, and I am certain a Conservative member will point this out. In fact, it is not so much that the U.S. has adopted income splitting, but rather that it has adopted a basic unit of taxation. Unlike Canada, where the individual is the basic unit of taxation, the family is the basic unit of taxation in the U.S. There are historical reasons for that approach.

In the mid-20th century, the United States needed to unify its taxation policies. A number of states considered the individual as the basic unit of taxation, while others considered it to be the family. Eventually, they had to simplify matters. A broad debate on taxation was held, and the outcome was a more or less simplified taxation system.

● (1155)

The process involved defining the basic unit of taxation. The U.S. decided that it should be the family. A number of commissions, including the Carter commission, and several committees studied the issue. The Carter commission was the last great commission to undertake a reform of the taxation system. After two years crisscrossing the country, the commission produced a report, which was greatly watered down by the subsequent Liberal government, this being the 1970s after all, but widely hailed by academics and tax experts. The report recommended that the individual be considered as the basic unit of taxation. This provision allows for a simpler tax system that everyone can agree on.

Now the government wants to allow people to use the family as the basic unit of taxation in some cases and the individual in others. This will further complicate the taxation system, and if only for that reason, this is not a desirable policy option.

The government boasts of having already introduced pension income splitting. The tax cost of this initiative is already higher than originally forecast. At the end of the day, as a result of pension income splitting, Canada will lose \$1.2 billion in tax revenues while the provinces overall stand to lose about \$500 million.

This example gives us a pretty good idea of what income inequality would look like. Let us consider for a moment how this measure affects seniors. If we divide pensioners into two groups, one-half having the lowest incomes and the other half having the highest, we see that the half with the lowest incomes benefited from only 2% of the tax cuts as a result of pension income splitting. That means that the half with the highest incomes benefited from 98% of the tax cuts. What is more, the 10% of pensioners with the highest incomes benefited from 31% of the tax cuts.

The example of pension income splitting illustrates the scope of the problem and how the income gap will widen, not only as a result of this measure, but also as a result of the Conservatives' proposed initiative.

Now then, will the government move forward with this initiative? It will be included in the next election platform. However, if we are to believe the current Minister of Finance and certain MPs, it is clear the government appears intent on moving forward. Moreover, instead of addressing additional income inequality issues, it is starting to rebrand to economists, journalists, the media and society as a whole the totally unfair policy of income splitting, which has now acquired a bad reputation. It will rebrand it as an exceedingly fair policy.

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I am truly flabbergasted to see how blind this government is to such clear facts and figures. I am far less hopeful than my colleague from Kings—Hants, who spoke just before me, as to the will of the parties in the House to find some common ground for dealing with income inequality. It is clear that the Conservatives are turning a blind eye to this reality. For them, it is a matter of facilitating access to education and training. We are not opposed to that, but it will not be a cure-all. Initiatives have been taken in the past, and continue to be taken by this Conservative government and by various provincial governments, that increase the effects of income inequality. Some of the proposed initiatives, such as income splitting, will increase the problems, even exponentially.

When I talk about economists, it is quite interesting to see where these negative comments about income splitting are coming from. It is rare to see the Canadian Centre for Policy Alternatives and the C. D. Howe Institute agree, not only on the fact that this policy is harmful but also on the fact that it would have some financial ramifications.

• (1200)

I have a question for my colleagues who always boast of their sound management. Do they really want to take action that will once again put the federal government in a deficit situation, for the sole reason of bringing in a tax break that will benefit only 15% of Canadian households? Would they not rather show good governance and start tackling urgent issues?

We do not have any problem whatsoever with tax cuts for middle-class families, for families that need a break. However, such measures must be reconciled with measures to reduce the debt, which, may I remind you, has ballooned by 60% since the Conservative government was elected in 2006. Steps will also have to be taken after that to rebuild public services that have been devastated in recent years, especially since 2006.

Consider R and D, the environment and immigration, to name a few areas. All of these services to Canadians have been drastically cut, jeopardizing in the process services for which Canadians pay taxes and to which ultimately they are entitled. I suspect that one of strategies of the Conservative government, and of Conservatives in general, is to ensure a mismatch between the taxes paid to different levels of government and the services that Canadians receive for their tax dollars.

I know that a debate on immigration took place in the House until very late last night. I was astounded by a statistic I learned of during the 2013 holidays—if I am not mistaken—regarding a call centre in Montreal that was set up to respond to Canadians requiring a visa or experiencing immigration problems. The number of employees at the call centre was so drastically cut that 91% of telephone calls in December 2013 were lost in the system and never got through to an agent. In other words, only 9% of calls were answered by an agent.

How about we talk about the cuts to science made by the Conservative government? I know what the ramifications of these cuts are because there are a lot of scientists in my riding. Some scientists work at the Maurice-Lamontagne Institute. Others work at the Institut des sciences de la mer, ISMER, at UQAR. Still others work in a number of private sector companies that come under the umbrella of the Technopole maritime du Québec. A hub of expertise

has sprung up in Rimouski and the lower Saint Lawrence valley in marine biotechnologies and maritime technologies in general. The cuts made by the government to the Maurice-Lamontagne Institute have resulted in an exodus of scientists from the region. This has hurt not only the region's economy, but also Canada's reputation in the sciences.

Additionally, there were a number of measures imposed as part of the overhaul of the employment insurance system that are having a major impact on regions where the economy still relies heavily on seasonal employment. These measures are intended to diversify the economy, but that takes time. In reality, the measures imposed by the Conservative government are making the regions in question poorer. Ironically, the Conservatives' slogan in 2011, at least in Quebec, was "Our regions in power". Almost every measure imposed by the Conservative government has ended up hurting the regions and making them poorer.

I know that this issue will be a core plank of our election platform in 2015 in the lead-up to the next election. If what we are seeking is good governance, every measure to do with budget surpluses should be divided between logical tax cuts that benefit a broad cross-section of society rather than simply 15% of people, as income splitting would do, paying down the debt and reinvesting in a number of public services that have suffered considerably as a result of this Conservative government's cutbacks.

This, therefore, is the principle of good governance that we espouse, and it corresponds to the good governance models of our New Democratic governments in the provinces. I hope that the government will listen to reason and scrap this ill-advised policy of income splitting in favour of adopting fiscal and economic policies that will benefit all Canadians and not just a small segment of the population.

• (1205)

**Mr. James Rajotte (Edmonton—Leduc, CPC):** Mr. Speaker, I would like to thank the hon. member for his speech and for the work he does on the Standing Committee on Finance.

[English]

I would like to address the income inequality issue that we studied at the finance committee. We issued a report and we talked about the need for support for general measures like health care, education, and social services that our government has funded at 6% year over year and 3% year over year.

We also talked about targeted measures like the working income tax benefit, which I believe has not been mentioned on the other side of the House. I would like members opposite to comment on the benefit of that program that specifically targets low-income working families and individuals to ensure that they get ahead.

*Business of Supply*

I do want to focus my remarks and ask the member opposite to comment on pension income splitting. If I understood him correctly, he was in fact quite critical of the measure brought in by our government in 2006 to allow pensioners to split their income. In fact, he said this was sort of a foreshadowing of what would happen under income splitting generally. Pension income splitting has been a resounding success. I have certainly heard it across the country. Pensioners come up and say that they have been able to keep much more of their income in their pockets.

I would just ask the member to clarify NDP policy on this. The NDP opposed it at the time, but does the NDP still oppose pension income splitting, and would it reverse that policy if it were given the opportunity?

[*Translation*]

**Mr. Guy Caron:** Mr. Speaker, I would like to thank the hon. member for Edmonton—Leduc, who is a highly respected member of the Standing Committee on Finance. His work is greatly appreciated by members of all the parties.

His question is relevant, but this is not necessarily about whether we would support it or not. My argument about pension income splitting focused on program logistics. Generally speaking, pensioners do not have as much income. Therefore, this will impact their income differently than it will the income of the general population.

If we look at the results, this program requires far more tax expenditures than initially forecast. There was no calibration at all.

Then, if you take everyone who is retired and divide them into two groups—one group for those with a higher income and the other with a lower income compared to the median—it becomes clear that 98% of the tax breaks will go to the 50% of pensioners who have a higher income.

Those who really need it, the people in the 50% with the lower income, will not benefit very much. It might lower their taxes by less than \$20. Those who benefit are the retirees with a higher income.

It seems that calibration was not necessarily a consideration, and that is a very serious wake-up call for a much larger measure that would affect families with children.

**Ms. Francine Raynault (Joliette, NDP):** Mr. Speaker, I would like to thank the hon. member for all his hard work at committee. All of his explanations were very clear.

Do we really need income splitting? I do not think so. This measure will cost \$3 billion, yet 85% of Canadians will not benefit from it.

What is the NDP proposing to make life more affordable and to ensure that the largest number of people possible will have a better life and better living conditions?

**Mr. Guy Caron:** Mr. Speaker, the question is appropriate. I addressed this to some extent in my speech, and I can expand upon it now.

Making life affordable for people is something we are very concerned about. The NDP has come up with a number of measures under the leadership of the member for Sudbury and the member for Québec, who are doing excellent work on this.

These measures are intended to help not only Canadian consumers with respect to credit cards and ATM fees, among other things, but also small and medium-sized enterprises, an important economic driver that is often overlooked in our economic policies.

This measure will cost the Canadian government over \$3 billion in lost revenue. It is imperative to know how those surpluses should be allocated. Since 2006, Canada's debt has increased by 60%. Sixty per cent since 2006. We need to start recognizing this situation.

I know that the former finance minister, Mr. Flaherty, cared about this situation. That is probably one of the reasons why he voiced strong reservations about income splitting.

With any future budget surplus, the Canadian government must consider paying down the debt and possibly cutting taxes, which will benefit many Canadians, as well as reinvesting in public services. After the huge cuts, they really need it. They have often been misguided by various departments.

• (1210)

**Mr. Emmanuel Dubourg (Bourassa, Lib.):** Mr. Speaker, I would first like to say to my colleague that I listened with interest to his speech on income splitting.

I would like to know whether he thinks this measure is generating controversy among the Conservatives. Is he aware of anything like that?

**Mr. Guy Caron:** Mr. Speaker, I thank my colleague from Bourassa for his question. I think this is the first time we have had the opportunity to talk directly to each other since his election to this institution.

Yes, I think the situation is a bone of contention, which has been widely reported in the media. The controversy did in fact start when Mr. Flaherty expressed serious reservations about whether income splitting was viable and appropriate. We then saw that the members of the Conservative caucus were very divided on it. There are some who are very much in favour of this measure. The voices supporting it are generally the ones of social Conservatives. That is because income splitting is an incentive. This measure is seen by a number of groups who are in favour of social conservatism in Canada as a measure that will encourage women to stay at home.

Take, for example, people with incomes of \$100,000 or \$150,000. Whether we like it or not, income disparity in our society is still considerable. There are significantly more men than women with high incomes. Clearly, if women stay at home, income splitting will be possible, whereas if women work, the gains will not be nearly as great. That might explain why the social Conservatives are in favour of these measures and why the fiscal Conservatives are against them. The fiscal Conservatives, as we see here, want the government to eventually use the surplus to pay down the debt and reinvest in important public services.

*Business of Supply*

In that respect, I can indeed see a division within the Conservative caucus, and I look forward to seeing how our colleagues opposite will vote on this motion.

[*English*]

**Mr. James Rajotte:** Mr. Speaker, I have so much respect for my colleague in this that I have to return to the subject.

The criticism from the other side is that targeted tax measures like income splitting, like pension income splitting, ought not to be done because they would not benefit the entire population. If we look at pension income splitting, that is true. It does not benefit people in my age group. If I look at my parents, they are both school teachers. They have pensions that are very similar. They do not benefit as much from the policy. However, there are many Canadians across this country who benefit from pension income splitting who are very positive on that.

I think it is incumbent upon the official opposition to be very clear with respect to that policy. Would it reverse the policy of pension income splitting that was put in place by this government in 2006?

Frankly, if the NDP ever forms government, I could see the member as a possible minister of finance. He is going to have to make that decision.

I think the NDP needs to be clear with Canadians as to where it stands. Does it support the pension income splitting that was put in place in 2006, and if not, would it seek to reverse that policy?

[*Translation*]

**Mr. Guy Caron:** Mr. Speaker, I would like to thank the hon. member for his question and for his persistence. It is an important question.

I am not here to lay out the NDP's 2015 election platform. I think he will acknowledge that, just as I would not necessarily ask him to share the Conservatives' economic platform for the next election.

However, what I spoke about—because it needed to be done—was the nuts and bolts of these measures and how they would work. What we have here is a measure that benefits primarily those with the largest pensions, and I am sure he would acknowledge this. If the government believes that tax relief should truly benefit those who need it most, this measure is not as effective as it could be. At the very least, it needs to be calibrated differently.

I used this example to warn the government. If ever it is re-elected in 2015 and decides to move forward with this measure, it should be careful. People can expect that the negative impact on Canada's economy, Canada's tax situation and all Canadian households will be far different from the promises that were made.

•(1215)

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, I am pleased to rise to speak to the official opposition's motion.

The government is obviously against the motion. The premise of the motion is incorrect. It states:

That, in the opinion of the House, the drastic increase in income inequality under recent Liberal and Conservative governments harms Canadian society...

There is no drastic increase in income inequality. Income inequality has not increased in Canada in recent years. On the contrary, income inequality has decreased in Canada in recent years.

The problem is that the motion is based on the NDP's political ideological. It is not based on data, facts or statistics, which clearly show that income inequality has decreased in Canada.

[*English*]

In fact, contrary to what the motion would suggest, we have seen a reduction, not an increase, in so-called income inequality in Canada. The truth is that in the past many years, the Canadian economy, notwithstanding the impact of the largest global recession since the 1930s, has done quite well, as a rising tide has lifted all boats.

We see that Canadians are generally better off in terms of their income. Canadians overall are significantly better off in terms of their net worth and assets. The lowest-income Canadians are better off as well. In fact they are closer to the mean than they used to be.

Child poverty is at an all-time low in Canada. The number of people living below the low-income cutoff, often referred to as the poverty line, has diminished. The government has eliminated nearly one million people from the tax rolls altogether, so they do not have to pay taxes, by increasing exemptions and other progressive measures in the tax system.

The entire premise of the NDP motion is incorrect. In fact, families at all income levels had higher incomes in 2011 than prior to the recession, according to Statistics Canada. With robust income growth, the share of Canadians living in low-income families was at 8.8%, according to the most recent figures, the lowest level in three decades. Let me repeat that. The number of Canadians living below the low-income cutoff line is at its lowest level in 30 years.

That is not my opinion. That is not a figment of my imagination. That is a fact based on data from Statistics Canada. I would invite my friends from the NDP to actually contend with the facts on this matter, rather than reciting stale and misleading talking points.

That is not to say that we should be satisfied.

[*Translation*]

Of course, as a society, as a government and as parliamentarians, we must always work to improve the living conditions and economic opportunities for all our citizens, including, and particularly, those living with low incomes.

That said, we need to recognize that we have made progress and that the percentage of Canadian families living below the low-income cutoff has diminished.

• (1220)

[English]

Indeed, the median real income of Canadians, and this is very important, according to the recent study conducted by the Luxembourg Income Study and *The New York Times*, hardly a Conservative house organ, indicated that for the first time in history, Canadian median family incomes have exceeded those of the United States.

The American dream was always considered the gold standard in terms of middle-class prosperity around the world. However, according to this recent exhaustive study of all the available data, the Canadian middle class is better off than its counterpart in any other major developed economy in the world, having exceeded that of the United States. This did not happen by coincidence or accident. It happened, of course, because of the hard work of Canadians but also because of the prudent economic policies of Canadian governments, and I would submit this government in particular, which has reduced enormously the tax burden on Canadian families. We have reduced the tax burden, through 160 separate tax relief measures, by an average of \$3,400 for an average family of four per year. That is not cumulative. That is to say that year after year, the average Canadian family is paying \$3,400 less in federal taxes than it did when our government came to office, and that happened because we made necessary but prudent decisions to better manage our spending and decided that taxpayers would come first.

Here is the basic problem with the motion in front of us. The NDP's view is that government should come first and that we should feed the insatiable appetite of government bureaucracies and programs by taxing people more. That is what drives policies that lead to unemployment, stagnant incomes, and fewer economic opportunities.

Fundamentally what this government believes at its core is that hard-working families know better how to spend an extra dollar than politicians or bureaucrats do. New Democrats have a different view. It is a defensible view. It is a view they sometimes obscure at election time, but their fundamental view is that they know better, as politicians, how to spend that extra dollar than working moms and dads do.

Take, for example, the issue of daycare. The NDP and its Liberal friends on the left believe that we should raise taxes on hard-working Canadian families, so that they have to work harder and their after-tax disposable income shrinks, so that we can take that tax revenue, coercively taken from those families, and cycle it through the enormously expensive bureaucracy of the Ottawa government and then send it to the bureaucracies in the provincial governments, which will then cycle it through various programs. In the case of Manitoba, I recall the failed child care policy of the former Liberal government. What did it end up doing? It raised government union wage rates in the child care sector. It did not actually add a single child care spot.

Again, that is a defensible view. It is a view my friends on the other side will articulate. They believe that we should put more economic pressure on hard-working families, more stress, and reduce their take-home pay by increasing their taxes in order to cycle all of that money through two bureaucracies and send it back out in

### *Business of Supply*

the form of a putative public benefit, when huge amounts of those resources have, in fact, been absorbed by administration and bureaucracy.

Our approach is different. Our approach is to leave the money in the hands of mom and dad in the first place, because we believe that they are the best experts with respect to child care, not government bureaucracies or politicians. That is why we introduced the universal child care benefit that sends a \$100 cheque per child under the age of six to every family, which then gets to decide how to spend that themselves, rather than politicians and bureaucrats making that decision for them. It is very simple.

It is also why we raised, by the way, the basic personal exemption. One of the issues I am going to get to is so-called income splitting, what I call family tax fairness. Under the status quo and a Liberal unfair tax policy, it is unbelievable but true that they actually used to say that a spouse working outside the home was of greater value to our society and economy than a spouse working at home.

• (1225)

They reflected the perceived devaluation of dads and moms who work at home by having a lower spousal exemption in the tax code than the basic personal exemption. For a two-income family with one spouse out in the paid workforce and another at home in the unpaid workforce, guess what? The person in the paid workforce would get a higher basic personal exemption against their income taxes than the spouse at home in the unpaid workforce. What kind of weird mentality says that dads or moms who are at home taking care of their kids or their elder relatives are worth less for making what is for many of them a sacrificial decision for their families?

We believe that they are serving the common good, that such dads and moms are making a choice that is best for their families, which we should respect and not penalize. We should respect the choices families make and not penalize them for making choices that they think are best for themselves. That is why this government eliminated that one dimension of family tax unfairness when we raised the basic spousal exemption to be equivalent to the basic personal exemption.

These are some of the reasons we have seen an increase in average family income and net worth. In fact, the median net worth of Canadian families has increased by 45% in real inflation-adjusted terms since 2006. Canadian children from poor families have a higher probability of moving up the income scale than in such comparable countries as the U.S., U.K., France, or Sweden. That is to say, not only do we have fewer Canadian families and children living in poverty than before, and not only are we at a record low in child poverty in this country, but we have greater upward social mobility for those families. We actually do have the Canadian dream.

This is what *The New York Times* was so astonished by when this study came out last month. The so-called American dream, the notion of upward mobility for low-income families, had become much more of a dream than a reality. However, here in Canada, it is a reality. We continue to have a society characterized by such upward social mobility.

*Business of Supply*

The facts are that the middle class in Canada is doing better. There are fewer poor families and fewer poor children and less income inequality, regardless of what the opposition says.

[*Translation*]

I would like to talk about the second part of the NDP's motion, which states:

...and that the House express its opposition to the Conservative income splitting proposal which will make this problem worse and provide no benefit to 86% of Canadians.

Once again, the premise of the motion is incorrect. The New Democrats are wrong. They are mistaken.

[*English*]

With the premise of this motion, the opposition is simply wrong.

I find it very interesting that in the political rhetoric and positioning of the NDP, those members always talk about working families. The late Jack Layton, whose memory we honour, always focused on kitchen-table economics. In the last election, he visited a lot of families around their kitchen tables, yet the position of the NDP here today could not be clearer: it does not actually support the family as an economic unit. Those members actually think that some families should be actively discriminated against through unfair preferences in the tax code. We fundamentally disagree.

• (1230)

That is why, in our 2011 election platform, the Conservative Party of Canada committed that if we balanced the budget, we would, at the end of our mandate, introduce family tax fairness by allowing splitting of income between two-parent families.

As the Prime Minister has done, I am pleased to reconfirm that it is absolutely our intention to keep that commitment that we made to Canadians in the last election to introduce family tax fairness, to end the discrimination against certain families, to end the unfairness.

How do we do that? I would like to accept the rhetoric of the NDP position and turn it into policy substance. When New Democrats talk about kitchen table economics and the importance of supporting working families, we do not just do that rhetorically, we want to do that substantively. We do not want to do it as a political tactic or trick. We want to do it by amending the tax code to say that we will treat the family as an economic unit, because after all, it is an economic unit. Is that not the point? Dads and moms who arrange their affairs together as couples with kids or other dependents are making a choice to share their property, to share their income, to share the burdens of life. In so doing, they become the best social programs, the best schools, the best crime prevention programs in raising children.

There is no social program that produces stronger social outcomes than a strong family. Can we all agree on that? We should be honouring and respecting the often difficult and sacrificial choices that families make. That is what family tax fairness through income splitting seeks to do.

What does this mean? Right now, perhaps a dad in a family decides to stay at home to take care of young, pre-school children, or perhaps elderly dependent parents who are living with the family, and we will see more and more of that with the aging of our society.

His wife or his spouse goes out and works and makes, let us say, \$75,000 a year, which is not much above the average income level in Canada. I do not know why New Democrats are laughing. It is a lot less than they make as MPs. If the wife is the income earner making \$75,000 a year and dad is at home taking care of young kids or maybe elderly parents, they end of paying 30% more in taxes, \$2,000 more in taxes than a family making the same amount of revenue with both parents in the paid workforce.

What this so-called preference, what this discrimination, what this unfairness does is say that the work the dad puts in at home does not have any economic value. The government says it is worth nothing.

I am not just saying this. I will never forget being in the opposition as revenue or finance critic asking the Liberal government why they permitted this tax unfairness against such families. The then minister of state for finance, the hon. Jim Peterson, for whom I have great regard, committed the ultimate political gaffe. He accidentally told the truth. He actually said the government believed that stay-at-home parents were not working. I guess he had never met a stay-at-home dad or mom, because they work harder than most of us do every single day of the week and they deserve our recognition and our support.

That is why the Royal Commission on Taxation in 1966 recommended that the appropriate tax unit should be the family, as the income and expenditure of two individuals are not independent when they live together. That is why the Royal Commission on the Status of Women, 60 years ago, supported elective joint taxation, voluntary income splitting. It is why the U.K. and France and most other developed countries treat the family unit as an economic unit for purposes of taxation.

It is about time that we said we value families, we support the choices they make, and we will end the unfairness. Will the opposition join us in that?

• (1235)

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, essentially the minister said that income inequality is not a problem. Let us look at the statistics from Statistics Canada. Median income from 1976 to just a couple of years ago grew by a staggering 0.2% for the middle class. In 2002, the average CEO in Canada earned 84 times what the average worker in that same company earned. Flash forward 10 years later, just a couple of years ago, that went up to 122 times the amount for the CEO as compared to the worker. In 1982, the top 1% earned 7% of all of Canada's income. Now that same group earns 12%. We have seen median wages stagnate over that same period, but the minister denies that.

Let us get to income inequality, which his colleagues ignored. Let us talk about who does not benefit from my friend's myopic vision of the world. People who make under \$44,000 a year do not benefit. Would a couple who make \$44,000 each but are both in the same tax bracket benefit? Absolutely not. Single parents do not benefit. People who do not have kids do not benefit. People who are divorced do not benefit. Of all Canadians, 86% do not benefit from this \$5-billion tax scheme.

*Business of Supply*

The Conservatives have the audacity to talk about fairness. What about the 86%? What about the idea that fairness should apply to all as opposed to this very narrow scheme that costs so much money, skews to the wealthy, and leaves out more than 85% of this country?

**Hon. Jason Kenney:** Mr. Speaker, there we have it, the finance critic for the official opposition, for the NDP, saying that families making \$50,000, \$60,000, \$70,000 a year are wealthy. If I were making \$60,000 a year, like most public sector union members who are the core of the NDP's constituency, I would be terrified of this guy becoming the finance minister because he thinks they are wealthy. We know that means that the NDP would impose bigger taxes.

We heard the same thing from the leader of the Liberal Party. He said he would not impose taxes on the middle class. Then when he was asked to define the middle class, he said that it excludes people who have assets like seniors on fixed incomes.

The data is clear. In the past decade there has been shrinking income inequality, fewer children living under the low-income cut-off than ever in our history, and the lowest level of families under the LICO in 30 years.

I have a question for my NDP friend. If he were in government would he repeal income splitting for pensioners?

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I have a question that is related to our seniors. We see this initiative that the Conservatives have now embraced as a multibillion-dollar promise to citizens. Hundreds of thousands of seniors or individuals are looking forward to being able to retire at the age of 65. The government has now increased it to age 67.

My question for the member is this. To what degree does he feel that facilitates the whole issue of income inequality, given that in future many of those seniors will not be able to retire until the age of 67 and will have to be in the workforce? I have listened to the member. The vast majority of the working class, the hard-working individuals in Winnipeg North, would love to have an annual salary of \$50,000 plus. Many of my constituents are working somewhere in the \$35,000 mark.

• (1240)

**Hon. Jason Kenney:** Mr. Speaker, to correct the member, we have not raised the age of eligibility of OAS. We will be doing so in nearly two decades' time. It will be a gradual phase-in.

When the OAS system was designed in the 1960s there were seven retirees for every beneficiary and the average life expectancy was age 65. By the time we raise OAS eligibility to age 67, there will be one beneficiary for every working Canadian. The average age of life expectancy is now 76 and is going higher. Therefore, the Liberal Party's opposition to the modest, gradual increase in the age of eligibility for OAS is a fundamental reflection of how this is no longer the Liberal Party of Paul Martin and how this is no longer a Liberal Party of sound economic management.

Governments across the world, including social democratic governments of the left and centre-left all through Europe, in Japan, and elsewhere, have all moved to increase eligibility ages for such public entitlements analogous to old age security to reflect reality. That life expectancy has grown by well over a decade in every one

of those countries and the working taxpaying population has shrunk. Rather than just demagoguing on this issue, it is incumbent on any party that aspires to be government to tell us how they would pay for the entitlements of baby boomers if we do not have an age of eligibility that reflects growing life expectancy 15 and 20 years from now.

**Mr. LaVar Payne (Medicine Hat, CPC):** Mr. Speaker, I listened to the minister's comments very intently. I am very pleased to hear him talk about stay-at-home dads. My son was a stay-at-home dad. He helped to raise two of his children. The benefits of the universal child care system were extremely beneficial for his family. They made a choice to have my son stay at home with the kids to help make sure that his family was stable and to make sure that the family unit worked together.

I can say, without a doubt, that this has been a huge benefit to my own family.

**Hon. Jason Kenney:** Mr. Speaker, indeed, the universal child care benefit has been massively popular for exactly that reason. It helps parents to make that choice. Admittedly, it is at the margin. It is not going to make a fundamental difference, but it helps. It helps a whole lot more than taxing families.

By the way, regarding the plans of the opposition parties to create a so-called "universal government Ottawa knows best child care scheme", according to the advocates of this so-called child care, 1% of GDP would cost at least \$18 billion. Guess what? That money is not grown on trees. It is not printed by the Bank of Canada. That money would come out of the pockets of taxpayers.

Do members know what would happen? The opposition would end up raising the GST back. It would take away the child care benefit. It would remove income splitting for seniors. It has pretty much admitted that now, since it is against income splitting. It would raise taxes on families in order to give them a punitive benefit. Who would the big winners be? The big government unions.

We will not let that happen.

**Ms. Jinny Jogindera Sims (Newton—North Delta, NDP):** Mr. Speaker, listening to the minister speak on income splitting, I was wondering which country he was looking at. When I looked at British Columbia and, specifically, Newton—North Delta, there, I would have said that a higher number than 86% would not benefit from the scheme here that would benefit, at best, the top 14% of our income.

I am talking about a province where child poverty is very high. We are talking about a country where the way our first nations communities are in some areas, we are compared to worse than third world countries.

When we really look at the real issues to be addressed to make life more affordable, is this really the best that the minister can support? Income splitting for the very, very wealthy?

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**Hon. Jason Kenney:** Mr. Speaker, there we go: “the very, very wealthy”. A constituent of hers, a family in her riding, making \$50,000 would save \$500 in income taxes through family tax fairness. Only the NDP could consider someone with a \$50,000 family income as very wealthy, which is code for “we have to raise their taxes so that they are not very, very wealthy anymore”.

That is why NDP tax-raising policies are always against the advantage of people who actually want to be in the middle class.

Let us be clear. Family tax fairness is not about a preference for certain families or people at certain income levels. It is about eliminating discrimination. It is about fairness. It is about treating people equally. It is about treating the family as an economic unit. If the NDP says it supports kitchen table economics for working families, why will it not treat families as an economic unit in the tax code?

● (1245)

[Translation]

**Ms. H el ene Laverdi ere (Laurier—Sainte-Marie, NDP):** Mr. Speaker, I will be sharing my time with the hon. member for Victoria.

The widening income gap, whether on a global, national or community scale, is clearly a social justice issue. However, it also poses a threat to our prosperity, our safety and even our health.

As a number of studies have shown, in a more egalitarian society, the poor as well as the rich are healthier. Equality benefits everyone.

High income inequality, globally and in Canada in particular, is a concern to many people. Yesterday, Christine Lagarde, the managing director of the IMF, addressed the issue and called it an obstacle to our country’s return to greater prosperity. It is a problem that therefore needs to be addressed, not only for the sake of social justice, but also for the sake of our collective well-being.

Unfortunately, Canada has been moving in the opposite direction for a number of years now. The gap between the rich and the poor continues to widen, as does the gap between the rich and the middle class and the gap between workers and the big bosses.

There is a tendency to place much of the blame for this state of affairs on Conservative government policies. Some of the responsibility must indeed be borne by the Conservatives, but at the same time we need to realize that they are not entirely to blame. In fact, 94% of the increase seen in income inequality over the past 35 years occurred on the Liberals’ watch.

However, I get the impression that the Conservatives felt they had not done enough to widen the gap. They decided to press the issue. They have proposed income splitting for couples with children under 18 years of age. Basically, this will benefit mainly the wealthiest members of our society. Under the proposal, one spouse would be able to transfer up to \$50,000 in income to the other spouse for tax purposes.

To better understand the situation, consider the example of an MP with children and a spouse who does not work. I think all of us can identify in some respects with this example. This MP would be able to transfer \$50,000 in income to his or her spouse. I imagine that some MPs would be delighted to be able to do that. The problem is

that while this measure may be advantageous for MPs and high income earners, for the vast majority of Canadians, it will be of little or no benefit.

Let me describe to you those who would not benefit in any way whatsoever. There is no benefit for people earning less than \$44,000 a year. A couple earning more than \$44,000, where both spouses have relatively similar incomes, regardless of what that income might be—\$100,000, \$200,000 or \$300,000—will not see any benefits if they are more or less in the same income bracket. Income splitting will not benefit single persons, childless couples, couples with adult children, single mothers and fathers, and divorced parents. For the vast majority of other people, the benefits will be relatively minor.

According to figures released by the C.D. Howe Institute and the Broadbent Institute, income splitting would benefit only 10% to 15% of families, and obviously the wealthier families.

● (1250)

I have nothing against tax cuts, but they should target the people who need them the most. If we take a closer look at the numbers, we see that this measure will actually benefit 5% of the wealthiest families, at the expense of taxpayers in general, because public funds are involved.

The measure would cost the federal government \$3 billion annually to implement and, according to the Canadian Centre for Policy Alternatives, the price tag for the provinces would be about \$2 billion. There are quite a few zeros in \$5 billion. I wonder if this government has given any thought to what it else it could possibly do with such a large sum of money.

I can think of many things it could do. For instance, it could help every single family, not just the wealthiest, find housing. In one part of my riding, 25% of households with children live in one-bedroom or studio apartments. Yes, in Canada. I am deeply shocked.

Could the government not earmark the tidy sum of \$1 billion to help people in this situation? Could it not set aside a little more money for seniors’ pensions or for infrastructure that is in need of repair? Is there not some way to help all families, not just a few?

Unfortunately, this government would rather focus on a small number of Canadians who are already among the wealthiest citizens. This government is Robin Hood in reverse. It continues to raise taxes and cut services to the middle class. It chips away at EI, raises the retirement age and delivers a fatal blow to Canada Post, all for the sake of providing some tax breaks to the wealthiest members of our society.

[English]

Indeed, I would call this government “Dooh Nibor”, which is Robin Hood backwards. It continues to take from middle-income citizens who have trouble making ends meet, through taxes and cuts to services, to give to the wealthiest.

*Business of Supply*

[Translation]

This bill has even more harmful effects because it might discourage women from joining the workforce. I am not the only one to say so. The rather well-known C.D. Howe Institute also says so.

It says that income splitting would significantly increase the marginal effective tax rate for most spouses with a lower income, which would create an obstacle to employment or a return to work. This would reduce the work experience of married women, who unfortunately often have a lower income, which would make them more vulnerable. The Institute is of the opinion that income splitting would not achieve its self-proclaimed objective of equality if the objective is to support families with children and that this measure could actually benefit families with no children.

Among the harmful effects of this measures is a geographic imbalance, in that some provinces would benefit from it more than others. One of the provinces that would benefit less is Quebec, which this government has completely abandoned.

It was minister Flaherty who said, and rightly so, that this was not really a good idea. For all these reasons, I will stand with my NDP colleagues and strongly oppose this bill.

• (1255)

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, I have two simple and direct questions for the hon. member.

First, does she agree that a family is an economic unit?

[English]

Does the member agree that the family constitutes an economic unit and should be treated as such in the tax code? Second, would an NDP government repeal the policy of income splitting for pensioners?

[Translation]

**Ms. Hélène Laverdière:** Mr. Speaker, I agree that families are crucial to our society and, clearly, to our very survival. Families play very important economic and social roles. It goes without saying that families need our help, but every family needs help. This government's approach is to help but a few families, and only the wealthiest families at that.

When it comes to pension income splitting, we said at the time that the program structure was all wrong. The way the program was designed was such that it benefited only a small segment of pensioners, as opposed to every pensioner.

[English]

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, I know the minister across the way wants to ask questions of me as the finance critic that the NDP would not in fact reverse income splitting for pensioners. I think he can put that conspiracy to the side.

To my friend across the way, I rarely do this, but for this debate it is important to have illustrations and make things personal at times. The way that the Conservatives have constructed this scheme, many families, what we sometimes call traditional families—father, mother

and kids—would not benefit from an income-splitting scheme, if they happen to be in the same tax bracket, if the kids are too old. There are all of these exemptions. There are more exemptions than inclusions.

However, those who will benefit are those Canadians where one of the couple is making a great deal of money and the other is making much less. That is the way that this is set up. For me as a member of Parliament, we are well compensated, on average \$160,000 or so; ministers make more, et cetera. In my circumstance, the way that this is described, I and my family could benefit by as much as \$5,000 or \$6,000. However, those families that the minister and the Conservatives seem to care about, who are earning \$50,000 or \$40,000, who may even apply for this and be compensated, would earn a couple of hundred dollars.

Why would families in the very highest tax brackets get as much as \$5,000 or \$6,000 of benefit from a program, when they arguably do not need it, where the middle-income families, whom the Conservatives seem to care about suddenly, would receive almost nothing? What is the equity in that? How is that going to fix the income disparity that we see in this country?

[Translation]

**Ms. Hélène Laverdière:** Mr. Speaker, my colleague is quite right. I am struck by that all the time. Indeed, among the major beneficiaries of this new policy are several persons seated here in this House.

At the same time, I think of my piano teacher, who, with her spouse, runs a small piano school. They have a child, and things are tough for them. They are trying to get established. They have about the same income. For them, there is nothing to be gained from this measure. I think of my brother, my sister-in-law and their three sons. There is no benefit to them, either. To some degree or another, the benefits are kept out of reach of the vast majority of Canadians, and the worst thing is that those who need this the most will not benefit from it. We are talking about billions of dollars.

• (1300)

[English]

**Mr. Murray Rankin (Victoria, NDP):** Mr. Speaker, I am very pleased to rise today and speak, in the strongest possible terms, in support of the motion by my colleague, the hon. member for Skeena—Bulkley Valley. It is a twofold motion; it would do two things. It would first signal the drastic increase in inequality in our country, and second, more specifically, it would address the Conservatives' proposed policy of income splitting. I would like to address both of those in the short time available to me.

I am pleased to learn today that the Liberal Party is going to be in support of this initiative. The Conservatives are obviously deeply divided on this. Today we got an Orwellian rebranding of the income splitting proposal. I understand we are now to term it the “family tax fairness initiative”, which has a very nice ring to it.

*Business of Supply*

Let me be personal for just a moment. When I was running for election a year and a half ago to represent the people of Victoria, I ran into a retired schoolteacher on a doorstep in Oak Bay. She asked, “Do you feel it?” I asked what. She asked if I felt how Canada is changing; if I felt how we are no longer glued together as a community as we were; if I felt the increasing gap between the rich and poor. She asked if that is the kind of community we want our children to grow up in. I said no. That is one of the reasons I am so proudly speaking in support of my colleague.

This retired schoolteacher got it right. We can literally feel the change, and I do not want my kids to grow up in that kind of country. I want the kind of country I benefited from when I grew up in a lower-middle-class family where all opportunities were available, rather than creating a permanent underclass of the poor and a few very rich people. That is the kind of economy I fear we are going to experience in the future.

I am not just saying that from a fearmongering perspective. On April 3, a *Globe and Mail* headline was “Canada’s 86 wealthiest have as much as the 11.4 million poorest”. That is shocking. It is shocking that 0.002% of the total population is getting richer and now has as much wealth accumulated as 11.4 million Canadians. The top 20% have half the income, but what is more telling is that the top 20% now have 70% of the wealth of our country. Most Canadians understand that the current government has abandoned the middle class and the poor, with little job security and high debt, and so many of our fellow citizens are living paycheque to paycheque.

Statistics Canada also showed wealth gravitating to the top. While median income rose almost 80% since 1999 to \$243,800 per family unit, the top 40% possessed 88.9% of total net worth, leaving the bottom 60% with a mere 11.1% of the pie. The poorest 20% of family units had more debts than assets.

The author of a report by the Canadian Centre for Policy Alternatives concludes, “If one Canadian makes \$100,000 a year selling a company (or shares) while another makes \$100,000 a year working at a job, the worker will pay twice the tax of the business seller.” We are in desperate need of Carter 2 in this country for a review of our tax system, which is only contributing to this increasing inequity, which that schoolteacher told me she felt so tangibly and which we all know is going on around us.

However, what about the new income splitting proposal, which has so divided the Conservatives, which is now to be called the “family tax fairness project”. It amounts to a tax break for the most wealthy. It would cost the federal government \$3 billion a year without providing benefits to a staggering 86% of our families. My colleague from Skeena—Bulkley Valley got it right when he said that the Conservatives are clinging to a bad idea due to “hubris and pride”, as he termed it. I just wish they would do what the famous former premier of British Columbia, W.A.C. Bennett, said: take a sober second look.

**The Acting Speaker (Mr. Barry Devolin):** Just for the hon. member for Victoria, the clock was incorrect. The hon. member actually has several minutes remaining. I apologize for giving him the one-minute warning. He has five more minutes, if he would like to continue with his speech.

●(1305)

**Mr. Murray Rankin:** I feel as though I have a second wind, thanks to you, Mr. Speaker. I did think that I did not need to be speaking quite so quickly. Thank you for the reprieve, if I can call it that.

It really is quite shocking. If I may go on, today's *National Post*, that left-wing propaganda machine, had another study about this income splitting or—what is it to be called now?—family tax fairness initiative. It says:

It turns out that among the target group [for this policy]—families with minor-aged children—the biggest winners by far reside in Alberta, where the average annual tax saving would be \$1,359....

Second is Saskatchewan, with \$1,070. The article says:

These two provinces, which have a combined 42 federal ridings, sent 40 Conservative MPs to Ottawa in the 2011 election.

Whereas, at the other extreme:

Families in Prince Edward Island will get an average benefit at \$488, followed by Quebec families with children, which would average \$510 in benefits. Those two provinces were among the least productive for the Conservatives....

One wonders, and the *National Post* appears to be wondering, whether there might be politics behind this initiative.

I am sure that is not true. I am sure it is good public policy. However, it does raise some rather interesting questions.

If people do not have kids under 18, it is no good for them. If people are single parents, it does not matter to them. If people are divorced, it is irrelevant to them. If people happen to earn what their spouses earn, it does not matter to them.

We understand the finance department had a report that was done, which appears to have been the basis of the late Mr. Flaherty's antipathy and growing concern about this policy: the need for greater analysis, as he pointed out. We cannot get that report. We would love to see what the finance department says about it.

However, in the words of that Canadian Press article that I cited, “This policy is an inequality generating machine.”

Inequality is what we are here, in part, to talk about today, because it has been spiralling out of control. The top 1% of incomes are surging. The typical Canadian family has seen its income fall for the last 35 years. The gap is getting bigger and bigger. We all know that. We all feel that.

Billions of dollars have been cut to social transfers by successive Liberal and Conservative governments, which has made things worse by reducing access to social programs for low income families.

When we cut transfer payments to the provinces, they get deficits. They get debt, but the federal government gets to brag about a balanced budget. The province passes it on to aboriginal governments and to municipal governments. To some degree, they can have that kind of debt, that kind of imbalance. They cannot run deficits.

*Business of Supply*

So, this trickle-down theory is of great concern, certainly in British Columbia, where I hear about it all the time.

Robin Boadway is the David Chadwick Smith Chair in Economics at Queen's University. He was an excellent witness at the finance committee, where we studied income inequality. That report has been alluded to earlier today. He talked of the significant changes in the tax system, such as changes in the tax treatment of capital income, changes in the structure of labour markets and unemployment, and the effect of changes, as I just said, in federal-provincial transfers on provincial social protection programs. He says:

All of these have reduced the automatic responsiveness of the tax transfer system to income shocks, and this has been particularly noticeable at the top and bottom of the income distribution.

His analysis concludes that government is fundamentally responsible for the surge in income inequality.

To wrap up, I strongly speak in support of a motion that would get the government to do the right thing and take that sober second look that W.A.C. Bennett talked about, about a policy for income splitting promised in the heat of an election campaign. It does little good for so many of us and only makes it worse for so many. We must take more specific and directed measures at income inequality. I urge the government to please get on board.

• (1310)

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, first, would the hon. member admit that the percentage of Canadian families living below the low-income cutoff line, typically referred to as the “poverty line”, is the lowest level ever?

Would he admit that the percentage of Canadian children living below that so-called poverty line is at its lowest level ever?

Would he indicate whether he has read the Luxembourg Income Study in *The New York Times* indicating that Canada now has the highest median family income of any developed country in the world?

Finally, in his constituency, Victoria, I know there is a disproportionately large number of seniors, pensioners, some of them with relatively high incomes, above the average. Will he maintain our policy of income splitting for those seniors, including the high income ones in his constituency? Or will his class warfare apply to the high income seniors who are benefiting from pension splitting, under the current government?

**Mr. Murray Rankin:** Mr. Speaker, I can categorically say that I will not contribute to class warfare, and I really do not believe that citing articles from *The Globe and Mail*, Professor Robin Boadway of Queen's University, and other notable experts in this matter would suggest there is any kind of class warfare in making common sense observations about things that most of us see every day in our constituencies, the phenomenon of living from paycheque to paycheque.

Has Canada made progress with seniors' poverty? Absolutely, and I am proud of that, but we have so much more to do. I have not read the particular report from *The New York Times* that was referred to by my hon. friend the minister, but I have read the report on income

inequality, which expressed great concern about income equality as recently as this year. The majority of the members who prepared that report were Conservatives. Obviously as Canadians, we know there is much to be done.

On pension splitting, what NDP members would do when we form government is a matter we can talk about after we have the opportunity to review the books and see the secret reports the government is withholding.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, income inequality has always been an important issue for the Liberal Party. A couple of years ago, the Liberal Party critic introduced a private member's motion that was ultimately passed by the House of Commons.

With regard to the motion that has been brought forward today, I take some exception to the NDP aiming all of the criticism to the Conservatives and the Liberals. The NDP needs to recognize that there is federal-provincial joint responsibility with regard to taxation issues. A third party should be included in terms of what is being asserted here. For example, from 1991 to 2001 the NDP was in power in B.C. That government took B.C.'s level of income inequality from fourth place across Canada to the worst in Canada.

Would the member not at the very least acknowledge that it is not just one or two political parties that need to improve? Would he not include his own party? If we want to get ahead on this issue of income inequality, we need to deal with its core issue and how we could best enhance that. Our motion that passed in the House two years ago was an attempt to do that. A committee would have discussed the issue and come up with recommendations and ideas that would have had a tangible impact.

**Mr. Murray Rankin:** Mr. Speaker, the member for Kings—Hants had it right, that this ought not to be simply a partisan exercise.

Nevertheless, we do need to acknowledge where we came from. Governments in this place were never NDP governments. They were Liberal and Conservative governments over succeeding decades and they pushed the debt down to the provinces. The NDP has never formed government, to my knowledge, in the House of Commons, so I do not know why provinces would be included in a motion trying to direct our federal government to take responsibility for income inequality.

**Mr. Scott Armstrong (Parliamentary Secretary to the Minister of Employment and Social Development, CPC):** Mr. Speaker, I want to take a moment to acknowledge the memorial ceremony for the RCMP officers who were laid to rest today in Moncton very close to my riding. We always need to recognize and remember the sacrifice that our law enforcement officers are prepared to make each and every day to protect the greater society.

I am so pleased to be able to participate in this debate today. It gives me the opportunity to provide the House with clear facts regarding our government's record, which has raised the income of the middle class and reduced the tax burden on low and middle-income Canadians. That is why our government's top priorities remain creating jobs, economic growth and long-term prosperity, and we will not be supporting this NDP motion.

*Business of Supply*

Conservatives know that the best way to raise the income of Canadians and their families is through a strong and growing economy. This means ensuring that Canadians have the skills they need to fill well-paying jobs that a strong economy will generate.

We believe the private sector creates jobs, not governments. This is why the government has put in place appropriate policies to maximize the growth in job creation and reduce inequality by reducing taxes, increasing support for hard-working Canadian families, promoting trade investment, supporting key economic sectors, making education accessible and affordable, reducing barriers to labour market participation and being responsible fiscal managers of the Canadian economy.

The proof is in the numbers. Since the depths of the global recession, Canada has demonstrated the strongest labour market performance of all G7 countries, with over one million net new jobs created since the pith of the economic recession in July 2009.

Indeed, because of this strong economy, the Canadian standard of living is one of the highest in the world. Canada's low-income rate has been dropping. In fact, it is at the lowest it has ever been. This is something the NDP like to ignore, but it is a fact.

Since the beginning of 2006, the take-home income of Canadian families across the board, and that is in all income groups, has increased by 10% or more. According to a recent Statistics Canada study, the median net worth of Canadian families is almost 80% more than the 1999 median and when adjusted for inflation, it is up 44.5% from 2005. Our government has helped the average Canadian family of four save close to \$3,400 per year by cutting taxes over 160 times.

It is clear that our plan has been working and Canadians of low and middle incomes have seen real tangible improvements in their bank accounts.

It is not just Statistics Canada studies that are validating this approach. The Parliamentary Budget Officer in a recently released report entitled "Revenue and Distribution Analysis of Federal Tax Changes: 2005-2013", identifies that middle and low-income earners have accrued the greatest financial benefit, specifically those in the 20 and 30 percentile of income earners, or those earning between \$12,000 and \$23,000. This group of households has accrued an average increase of 2.5% in after-tax income resulting from the major personal income changes since 2005.

This is because we understand how important it is to create the right environment for businesses to grow and create jobs. We recognize how vital it is to ensure that all Canadians have an equal opportunity to share in the benefits of a strong economy.

Through our jobs, growth and long-term prosperity approach, our government has effectively taken action that has improved the lives of Canadians at all income levels. This is why I find the NDP's motion so puzzling. The facts and studies validate our approach to creating the conditions for jobs and growth. I would think even the NDP would look at the hard facts and come to the conclusion that many Canadians have, which is that Canadians are better off today than they were in 2005.

The growing wealth of Canadians ought to be something that all parties can agree on, because each and every member wants to see less poverty and more Canadians with employment.

We are not saying that we are done. It is quite the opposite. We are saying that we are just getting started.

Canada currently has one of the lowest poverty rates among seniors in the world. It is lower now than it was under the Liberals, at 5.2% in 2011. The number of Canadians living below the low income cut-off is now at its lowest level ever. There are nearly 1.4 million fewer Canadians living in poverty under our Conservative government than under the Liberals.

Our government has removed one million Canadians from the tax rolls, including 380,000 seniors. Since we took office, there are 250,000 fewer children in poverty than under the previous government.

• (1315)

However, we are not satisfied. As the Minister of Employment and Social Development has pointed out, over and over again, there are still far too many people without jobs in Canada and far too many jobs in Canada without Canadians to fill them.

Our government believes more can be done with the training dollars we spend to lead to guaranteed jobs, which will improve the lives of Canadians and reduce overall inequality. We also believe that the best way out of poverty is a well-paying job. We believe the best way to reduce inequality is to create more jobs, and this can be done by improving and transforming our skills training system.

Let me outline some of the measures to transform the skills training system that will help Canadians get these available jobs and help Canada create more and better jobs.

As the economy has recovered, these skills mismatches along with labour and skill shortages have emerged in certain regions in certain sectors, highlighting the need to transform training and give employers a role in deciding where training dollars will go. This is why our government introduced the Canada job grant. The Canada job grant will encourage employers to invest more in skills and training and be involved in decisions to ensure that training leads to a guaranteed job at the end of that training.

The minister has reached agreements with all provinces to deliver the Canada job grant through the Canada job fund. The government is also committed to improving other labour market transfers to ensure that funds are being used to help Canadians obtain the skills they need for jobs in high-demand fields.

*Business of Supply*

To this end, the government is renegotiating the labour market development agreements with provinces and territories. These are over \$2 billion training funds that come directly from the EI account. Currently the human resources committee has been studying the renegotiation of these agreements, and as a member of that committee, I look forward to being able to recommend to the minister some ways that we could improve these agreements to better train unemployed Canadians for guaranteed jobs at the end of that training.

Our government is also investing \$11.8 million over two years and \$3.3 million per year ongoing from that to launch an enhanced job-matching service. This will provide job seekers with modern and reliable tools to find jobs that match their skills, and to provide employers with better tools to look for qualified Canadians to fill available jobs.

Through a secure, authenticated process, registered job seekers and employers will automatically be matched on the basis of skills, knowledge and experience. This proposed enhanced job-matching service will build on the launch of a modernized and easy-to-use consolidated national job bank.

Our government has also taken steps to reduce barriers to labour mobility across provinces and territories by helping regulated occupations develop nationally accepted standards.

To reduce non-financial barriers to completing apprenticeship training and obtaining certification, budget 2014 introduced a flexibility and innovation in apprenticeship technical training pilot project, which will expand the use of innovative approaches to apprentice technical training.

In addition, budget 2013 allocated \$4 million over three years to continue to work with provinces and territories to harmonize the requirements for apprentices, as well as examine the use of practical tests as a method of assessment in targeted skill trades. Apprenticeship training is an important part of the post-secondary education system, and is a key provider for the skills and knowledge necessary for jobs and growth.

To further assist Canadians with training for a career in the skilled trades, budget 2014 announced the Canada apprenticeship loan, which would expand the Canada student loan program to provide apprentices registered in the Red Seal trades with access to over \$100 million in interest-free loans each year.

This action builds on the existing government initiatives to apprentices and employers to encourage apprenticeship training and stimulate employment in the skilled trades. The apprenticeship grants are designed to encourage more Canadians to pursue and complete apprenticeship programs in the Red Seal trades.

In budget 2014, the government committed to take steps to ensure that apprentices would be aware of the existing financial supports available to them, while they were on technical training programs through the EI fund.

These are all measures that the government is taking to ensure taxpayers are well served by the federal training dollars.

Our government recognizes that there are often challenges for under-represented groups, such as youth, people with disabilities,

aboriginal people and newcomers to Canada, in obtaining the support they require for jobs and growth. Encouraging the participation of under-represented groups in the job market continues to be an important priority for all of us.

Our government provides over \$6.4 billion to the provinces to support skills development and higher education.

● (1320)

I have already touched on two of the transfers, the labour market development agreements and the Canada job fund. There are other transfers, such as the \$3.75 billion for post-secondary education that comes from the Canada social transfer, or the labour market agreements for persons with disabilities, which provides \$222 million to the provinces for the targeted initiative for older workers.

In addition to the money that we transfer to the provinces to help under-represented groups, the federal government directly spends almost \$1 billion on skills development and higher education. There is a youth employment strategy which invests \$300 million to provide training, internships, work experience and education for young people. There is the apprenticeship incentive grant and the apprenticeship completion grant, which provide over \$110 million to help apprentices.

There is a skills and partnership fund, which partners with employers to provide training for guaranteed jobs mainly in the resource extraction industry. There is the aboriginal skills and employment training strategy, which provides \$336 million to support aboriginal labour market participation. There is the opportunities fund for persons with disabilities, which is providing real job experience for Canadians with disabilities.

It is very clear from what I have just outlined that our approach is working and we have been raising the incomes of Canadians and their families. We have targeted initiatives for many different Canadians, for many different jobs and much different training to ensure we provide fairness across the board. We are continuing to equip Canadians with the skills required to obtain and keep the well-paying jobs available today and in the future. We are continuing to make smart investments in programs that are having real results for under-represented groups.

The Conservative government will continue to focus on jobs, growth and long-term prosperity and put in place the appropriate policies to reduce inequality. That is why I will not be supporting this motion. I would encourage my colleagues opposite to look at the facts and reject the motion.

*Business of Supply*

• (1325)

**Mr. Paul Dewar (Ottawa Centre, NDP):** Mr. Speaker, I have a simple question for the member. He has gone on at great length about all the things that he thinks his government has done so well. At the end of all of that, he said he would not support the motion. Could he tell us if he supports income splitting, yes or no?

**Mr. Scott Armstrong:** Mr. Speaker, of course I support tax fairness for families across Canada. My background is as a teacher. Two teachers who are married and making \$50,000 per year each face a much lower tax burden than a welder who makes \$100,000 a year and whose spouse stays at home with the children. There are two families, each making the same total income, but one family has to pay significantly less tax than the other family. That is inherent unfairness.

I know the NDP does not like to hear about any tax cuts or any tax reductions for Canadians, but we believe tax policies should treat all Canadians and Canadian families with children fairly.

**Mrs. Patricia Davidson (Sarnia—Lambton, CPC):** Mr. Speaker, my colleague did a wonderful job outlining the measures that this government has taken, and I commend him for that. I also commend him for the great work he does in the House to further the work of the government.

One of the things I would like him talk a little more about is the fact that Canada is universally known for creating competitiveness to encourage both foreign and domestic investment. Could the member tell me what a few examples are of the measurements that our government has implemented since we took office in 2006 and how our taxes stack up against other G7 nations?

**Mr. Scott Armstrong:** Mr. Speaker, if we look at the tax reductions that this government has made, we reduced taxes over 160 times since taking office in 2006. We have lowered taxes on Canadian families. As I mentioned in my speech, today the average of four can expect to pay up to \$3,400 less tax than it did before we took office.

We have lowered taxes across the board. Small and larger businesses pay lower taxes and they are the economic drivers of our society. Today, we have a low corporate tax system that encourages foreign and domestic investment and that invites companies to come here, stay here and employ Canadians. It invites small and medium-sized businesses to expand and grow. Therefore, low taxes is one of the best ways to try to ignite our economy and continue to respond to what was the largest recession since the Great Depression.

We are on the right track, we are moving forward and our low-tax plan is bearing fruit. I want to thank my hon. colleague for supporting those initiatives that will create a robust industry in Canada.

• (1330)

[Translation]

**Mr. Jean Rousseau (Compton—Stanstead, NDP):** Mr. Speaker, it is the same old story, day after day. Our colleagues across the way have no comprehension of the immense gap between the rich and the poor. Every week, approximately one million Canadians use food banks to feed single-parent families or families with two or three children. This is happening right across Canada, in every region, in both rural and urban communities, even here in downtown Ottawa.

I wonder why the Conservatives deny the importance of a social fabric here in Canada. What will be achieved by consistently giving more to the rich and less to the poor? It will lead to still more poverty and a high crime rate. The food banks are practically empty because people are donating less and because more and more Canadians are using them.

The members opposite continue to bury their heads in the sand. Could it be that they no longer even walk down the street in downtown Ottawa and see the endless lines at soup kitchens and food banks?

Why is this government ignoring reality?

[English]

**Mr. Scott Armstrong:** Mr. Speaker, I do not know who is ignoring reality. All we have to do is to read the analysis from *The New York Times* study, which suggests that Canada's middle class has leapfrogged middle-income earners to the south of us. We have the richest middle-level earnings cohort in the world here in Canada. That is a fact. That was released in international studies.

Median income in Canada has climbed by 19.7%, since 2000. This matches the pace in Britain. We are ahead of Ireland, the Netherlands, Spain, and Germany, and far ahead of the meagre 0.3% in the United States under the Obama administration.

I do not know who is ignoring reality, but I can tell members that the facts support that Canada's changes in tax policy and its investment in jobs and economic growth are showing great fruit. We hope that the opposition will get on board and support this.

**Ms. Jinny Jogindera Sims (Newton—North Delta, NDP):** Mr. Speaker, talking about reality, here are some figures. Food bank usage has increased. More and more Canadians are working at minimum wage. Many of them are working part-time jobs just to make ends meet. The number of seniors living in poverty is on the rise.

We have a government that is so far out of touch with what is happening on the ground that it is willing to spend \$65 billion to benefit less than 14% of the population. Can the member justify this kind of expenditure when 86% of the population would not benefit from it?

**Mr. Scott Armstrong:** Mr. Speaker, if the member remembers my speech, I talked about all of the different initiatives that our government has taken to support all facets of society, including tax reductions. I know that the NDP never supports them because it believes that governments should have all of the money and fund all kind of social programs. It does not trust Canadians who have the dollars in their pockets to make their own decisions on spending. That is the basis of the NDP.

The member talked about seniors. I know that she has a lot of seniors in her riding in British Columbia. When she protests against income splitting for families with children, taking money away from children across the country, would she also support the elimination of income splitting for seniors, which has benefited seniors from one end of the country to the other? Would she stand up and say that she is going to vote to take away income splitting for seniors?

[*Translation*]

**Ms. Marie-Claude Morin (Saint-Hyacinthe—Bagot, NDP):** Mr. Speaker, it is quite simple, and it all adds up: a society where the social fabric is strong, where people have an opportunity to rise out of poverty and do not have to resort to food banks or second-hand clothing stores to buy clothes is a society where people will consume more, drive more and feel better, whether we like it or not. Everybody will do better, even the wealthiest among us.

My question is simple. I would like to know why the government is investing billions of dollars—not millions of dollars, billions of dollars—in initiatives that will benefit just 15% of Canadians, Canadians who do not even need the help? Instead, we should be investing in social programs, for example, in homelessness initiatives or programs to assist seniors living in poverty or single-parent families, who will not benefit from this initiative, either.

I would like to know why the government does not put its money elsewhere.

• (1335)

[*English*]

**Mr. Scott Armstrong:** Mr. Speaker, the truth is, we are supporting these groups that she talks about. For youth, we have the youth employment strategy, with over \$300 million in investment to support youth. We have strategic initiatives for older workers, trying to train them so they can get back into the workforce if they choose to keep working. We have lowered the tax burden over 160 times. The average family of four pays \$3,400 less a year in tax.

All of the international data, studies and reports, show that the Canadian middle class is doing far better than their counterparts in other countries. We have initiated strong tax relief across the board for Canadians. We have specific programs so that we have under-represented groups getting training for the jobs that exist today and jobs that will exist tomorrow. Also, we are supporting employers getting skin in the game so they can help to train people for the jobs they will have.

We are taking these strong steps, and I do not understand why, with every one of these initiatives we put forward, the NDP constantly votes against them.

**Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP):** Mr. Speaker, I am pleased to rise to speak to this motion. I think it is one that clarifies the differences here in this House.

We have had the Liberal Leader saying that he thinks it is a decent idea. We have the Green Party, which has it in its party platform, and we have the Conservatives going on about everything else except the topic of this motion today.

I think there is a reason for that. If someone in this House said they had a great proposal, to write an average cheque of \$7,128 to

### *Business of Supply*

147,000 of the richest families in the country, we would all think they were crazy. An average benefit of \$7,000 to 147,000 of the richest; that is what this policy would do. That is why, on this side of the House, we are fundamentally against it.

When we look at the total expenditure of \$5 billion, which is \$3 billion federal and \$1.9 billion provincial, we think about how we could spend \$5 billion. How about a universal child care program that would actually help families who cannot find a place to put their kid in quality care? How about a national pharmacare program that would help seniors living in poverty and struggling with choices between keeping a roof over their heads or buying pharmaceutical drugs. There are lots of things we could do with \$5 billion.

Instead, the Conservatives are saying let us write a cheque for \$7,128 to 147,000 of the richest families. It is beyond belief that they would say that this is a policy about fairness and tax relief for families. This is about aiding their richest friends.

I am amazed that some of the Liberals have gone against what the federal Liberal leader said at the beginning. We do not often see that in the Liberal Party. However, I would like to hear from the federal Liberal leader about whether he still thinks it is a decent idea. It seems like an indecent proposal to me.

I will be sharing my time with the member for York South—Weston, though I do have a lot to say on this.

Who actually benefits from this? We talk about the 14% of families who will benefit. For people in my riding making under \$44,000 a year, there is no benefit. For a couple who make above \$44,000 a year but are both in the same tax bracket, there is no benefit. For single parents, there is no benefit. For couples with no kids, there is no benefit. For couples with kids who have grown up, there is no benefit. For parents who are divorced, my favourite in terms of irony, there is no benefit.

In my riding, we have a pretty high percentage. I think 86% might actually underestimate the people who would be excluded. When we go through that list, it is just about everybody who I talk to on a daily basis who would get nothing out of this federal income splitting program.

What we have seen is growing income inequality, and this measure would simply fuel that inequality. The incomes of the top 1% or 5% have been skyrocketing, while the average family struggles to make ends meet at the end of the month. The gap between the ultra-rich and the rest of us in Canada continues to grow. Liberal and Conservative governments have done nothing to attack this problem.

I would rather that we were discussing a proposal like a living wage. When I was on city council in Esquimalt, before I came here, we had a long debate about the failure of the minimum wage to provide an income that people could actually live on, that could support a family in dignity. Instead of talking about income splitting that benefits the rich, I wish the Conservatives were proposing to talk about a living wage.

*Business of Supply*

It was the Liberals who eliminated the separate federal minimum wage, in 1996. Now we have a situation where minimum wages continue to erode. In real dollars, we are probably still somewhere below where we were in 1976 when it comes to the minimum wage.

Who earns that minimum wage? The people who would not be benefiting from income splitting for sure, 41% of whom are women and young people. In British Columbia, 32% of minimum wage earners are between the ages of 25 and 54, and 9% of them are aged 55 and over. We are not just talking about teenagers going to school and living in their parents' basement. We are talking about people trying to build a family for themselves, support themselves in dignity, and even support themselves when their retirement income fails. Remember, almost 10% of those aged 55 and over are still working at a minimum wage, and most of them are women.

What would a living wage do? A living wage is the idea that we would pay an amount that two parents, both working full time, with two children, could provide the basic necessities. It does not include paying back debt, savings, trips to Hawaii, which is what I suspect many of the people who would benefit from this income splitting would use this extra income for. Instead, let us pay them a wage that allows them to live in dignity.

• (1340)

In April 2014 in greater Victoria, which I represent, that required a wage of \$18.93 an hour. The minimum wage is \$10.25, so people who are on the minimum wage are living well below what it takes to live a life of dignity.

Whenever we talk about raising the minimum wage, there are those on the other side who talk about it as a job-killing proposal. If there is any job-killing proposal, it is the income-splitting proposal. That is because it would take money out of the economy in Canada and give it to people who will spend it abroad, either investing or travelling, whereas if we put money toward raising the minimum wage up to a living wage level, those people just might have enough to buy a pizza for their kids at the end of the month. They just might have enough money to make repairs on their house. They just might have enough money to do things that stimulate the local economy.

When we are talking about income splitting, I cannot for the life of me see how any of that is going to put money back into job creation and small business in my riding. It is actually going to take money out of circulation, most probably money that will end up being invested abroad or spent abroad on things like travel, or else money that will be spent on luxuries. Most of those luxuries are not produced in my riding of Esquimalt—Juan de Fuca.

There was a statement in 2006 that I found very interesting. It was cited by the Canadian Centre for Policy Alternatives. This statement was signed by 650 economists, including five Nobel laureates. Let me quote a sentence from it:

...a modest increase in the minimum wage would improve the well-being of low-wage workers and would not have the adverse effects that critics have claimed.

It would not have adverse effects, so if we are talking about spending \$5 billion of tax money, let us put it into something that alleviates poverty rather than something that aids those who are already doing well in our society. Let us put it toward incentives to create jobs at the entry or basic level. Let us put it toward training

programs. Let us put it toward child care, and then let us put our efforts in the House toward making sure that people actually get paid a living wage in this country.

Earlier one of the Liberal members talked about making this a non-partisan issue. I guess what he means is that the Greens, Liberals, and Conservatives agreeing would somehow make it a non-partisan issue.

At the fundamental nature of politics is what kind of Canada we believe in. I find this proposal for income splitting not the kind of Canada that I believe in, not the kind of Canada I want to live in.

Some of the residents of my riding might benefit from such a proposal, but when they actually see its huge cost and the vast majority of its benefit going only to the wealthiest and most successful, even those people who might benefit in my riding would have cause to think about it again.

Why am I so sure of that? Because even the former federal minister of finance, Jim Flaherty, said he had serious concerns about this proposal. If the Conservatives were not prepared to listen to Jim Flaherty at that time, I am not sure who they will listen to, but hopefully they will get a chance to listen to Canadians. When it comes time for the next election, I hope they put forward policies like this one, policies that clearly state their agenda, which is a devotion to trickle-down economics. Their idea is that if we give money to those who are doing the best, somehow they will invest it or spend it in such a way that the other 86% of Canadians can eventually benefit from it. We all know that this kind of economics simply does not work.

It is interesting to look at the people who have talked about income splitting and expressed their doubts. They range from the C. D. Howe Institute on the right to the Broadbent Institute on the left. Both found that the proposal would, as we have argued on this side, cost the federal treasury \$3 billion. Both found it would cost the provinces, yet the provinces have nothing to say about it, because Conservatives never talk to the provinces. It would cost them \$1.9 billion out of their tax revenues. Where are they supposed to find that?

Very interestingly, in terms of the percentage of people who would not benefit from this measure, both the C.D. Howe Institute and the Broadbent Institute found that between 86%, in the case of the C.D. Howe Institute, and 90%, in the case of the Broadbent Institute, of the population would not benefit from this income-splitting proposal.

I wish we were talking about a living wage for Canadians who go to work every day, work hard to put a roof over their heads and support their families, and maybe put a little away for their kids' education or for their retirement. This policy of income splitting does nothing to favour those people. It benefits only the 147,000 richest Canadian families, and it would give them, as I said, a cheque for an average of \$7,128. I do not think anyone would really want to go back and talk to their constituents about what a great idea that is.

• (1345)

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I thank my colleague and neighbour from Vancouver Island, from Esquimalt—Juan de Fuca, for giving me a chance to clarify the Green Party platform, which he referred to as the 2011 platform.

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We do not mind the concept of income splitting if there are adequate resources to make it possible without shrinking the services that we need in the Canadian government. However, I do not want it going on the record that we currently support income splitting. I want to give members some indication as to why it is unlikely to show up in our 2015 platform.

Members of the party at the convention changed from supporting a carbon tax that could be used to offset income splitting to moving to a carbon fee and dividend whereby every Canadian would receive the benefit of essentially translating pollution into support for lower incomes and all levels of income. That provision means that income splitting is no longer possible under our budget, because it is about a \$5 billion cost. If we do not have something to offset that \$5 billion cost, then it is simply not possible to do it. Therefore, we would be distributing the carbon fee and dividend throughout the economy, and we no longer support the income-splitting provision to which my hon. friend referred this afternoon.

**Mr. Randall Garrison:** Mr. Speaker, I thank my hon. friend from Saanich—Gulf Islands for that explanation, even if I cannot understand it. What she seems to be saying is that she supports income splitting, and the only problem is where we would find the money to do it.

I am saying that the concept is fundamentally wrong because it benefits those who are at the top of the income scale. It does not make any difference at all where we find the money to offset it. The member has talked about a carbon tax or carbon fees or other ways to offset it; that does not make any difference to me. It still takes \$5 billion away from the public treasury and gives it to those who need it the least in our society.

**Mr. Jean Rousseau (Compton—Stanstead, NDP):** Mr. Speaker, I would like to thank and congratulate my colleague for a wonderful enumeration of what income splitting will do to Canadians from coast to coast to coast.

[*Translation*]

These are measures that do not help the Canadians who truly need them. It would be better to propose a measure such as a guaranteed minimum income that would help all families and all Canadians, nationwide. Such a measure would cost from \$50 million to \$100 million a year and would stimulate the economy.

What we want—and what the government wants—is for the economy to prosper. However, constantly giving to the wealthiest Canadians is not the way to make the economy thrive. The people who need the money are the ones who frequent food banks and thrift stores. They are the ones who need this money. They will immediately reinvest the money in the economy, especially the local economy.

Not so long ago, our party proposed a guaranteed minimum income. What impact would a guaranteed minimum income potentially have on the middle class?

• (1350)

**Mr. Randall Garrison:** Mr. Speaker, I thank the member for Compton—Stanstead. I would answer him in French, but my grammar and accent are not up to the task.

[*English*]

Therefore, I will unfortunately have to respond in English.

I do agree with the member. The question here is how to make the economy grow. Do we make it grow by helping the people who have already succeeded, the people at the top? Do we make it grow by redistributing some of this money that the Conservatives obviously regard as excess, this \$5 billion they want to give back to the richest families, or do we spend it at the other end on a national child care program, a national pharmacare program, job training programs and apprenticeships, things that would help the people who work hard every day? These are the people who go to work every day and are still not earning enough to support their families in dignity.

As the member for Compton—Stanstead said, I support putting our efforts at the other end, toward those hard-working families that could use a little support.

**Mr. Mike Sullivan (York South—Weston, NDP):** Mr. Speaker, I appreciate the opportunity to talk about this topic, as it is a very crucial topic for a lot of people in my riding. I say “crucial” not because they are looking forward to income splitting, but because most of them, if not all of them, would not gain a single cent out of this income-splitting proposal that the Conservatives are suggesting is a great thing for the average Canadian.

The average family income in my riding is \$30,000 less per year than the average for the rest of the country. Almost all of the people in my riding have incomes under the cut-off point at which income splitting would provide a benefit to them. We would have a situation in which those most in need, and I include my riding in that category, would have significantly fewer government services, because the Conservative government has been cutting back on services. They would have no additional income as they watch the cost of living and the cost of everyday items continuing to rise.

For those individuals in my riding, those rising costs mean that they will continue to fall further and further behind. Some will fall into poverty. Some are already in poverty. They will certainly fall further and further behind, while some in the rest of the country, a very small portion, will actually do much better.

We now have a situation in Canada in which the rich are getting richer fast. The various governments of the past 25 years have managed to create systems that are unfriendly to organized labour. Organized labour is one of the ways people improve their standard of living, but if the bosses who are making most of the money have governments that are unfriendly to organized labour, they do better, and the bosses are doing much, much better.

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The top 1% of earners of this country paid a proportion of our taxes, and that proportion is shrinking. Since the Conservatives took over in 2006, the proportion of net taxes paid by Canadians to the federal government by the top 1% has shrunk relative to the rest. That means everybody else is paying more than the top 1%.

This proposal by the government will make that situation worse, because those at the very top stand to gain by this income-splitting proposal, while those in the middle and at the bottom would gain little, if anything. As a result, the division between the rich and the poor in this country would get worse.

In the city of Toronto, where I reside and where my riding is, a series of studies have been done by Professor Hulchanski on the city of Toronto. This professor has discovered that there has been a hollowing out of large sections of Toronto as a result of the abandonment of the manufacturing industry, something about which the current government has done little, if anything.

With the abandoning of the manufacturing industry and the replacement of those jobs by retail and other service sector industries, the average income for the middle class in Toronto has shrunk dramatically, while the income of those who are doing well has grown. We have a hollowing out in the inner suburbs of the city of Toronto. About 30 or 35 years ago, these people were considered comfortable middle class. Now those people are on the edge of poverty, on the edge of homelessness, on the edge of not doing well at all.

The proposal by the Conservative government does nothing to change this situation. It does nothing to affect the thousands upon thousands of Canadians who are near the bottom of the food chain or the thousands upon thousands of people in my riding who are recent immigrants to this country.

One of the reasons there are a lot of recent immigrants in my riding is that the housing is relatively cheap compared to the rest of Toronto. My riding ends up populated with individuals who are barely scraping by. As a result of this proposal by the Conservative government, those individuals will gain absolutely nothing. Anybody making less than \$44,000 a year will see no benefit, and the large majority of people in my riding make less than \$44,000 a year.

● (1355)

The average income in my riding for families, which is the net income of everybody in the household, is something approaching \$77,000. That includes those who are doing well, and there are some in the riding. For those who are doing poorly the average is \$77,000. The average in Canada is a little over \$100,000. We can see that we are already only at two-thirds of the income of the rest of Canada. To suggest a largesse of the current government to redistribute wealth by creating a system of income splitting would simply make the problem worse. It would simply create an untenable situation in which the wealthy in this country would get wealthier.

Perhaps it is a vote-getter for the base of the members opposite. Perhaps that is what is going on here. It is certainly not good policy, but if they believe that the rich should get richer and the poor should get poorer, and if that is who they are catering to when they are trying to get re-elected, unfortunately there are not enough of those people remaining in the city of Toronto to get them re-elected. I do

not think the Conservatives are going to do very well in the next election. The people of Toronto understand full well that this proposal does not do anything for 86% of Canadian families. As for the 94%, the increase in income inequality, that is what the theory behind income splitting is. It is to redistribute wealth and maybe make income inequality less of a problem, but the effect of this is to continue the income inequality because those at the bottom will continue to be at the bottom. There is no benefit.

We would take \$3 billion out of the federal treasury and \$1.9 billion out of provincial treasuries and give that money to those people who are already well off. Maybe that would get them a few votes, and maybe that is the key demographic they are looking for, but it would not get the votes of the majority of the people in the city of Toronto, the majority of the people in my riding, and the majority of the people in Canada, 86% of whom will see little or no benefit to this very strange proposal.

Maybe there is an anti-feminist side to what is being proposed here because there are some members in the Conservative Party who believe that women should not be working, who believe that income splitting is the way to ensure that women do not enter the workforce. Already women only make 70% of what men make and as a result of income splitting, their incomes would be the drag on the family so it would be more likely that they would not enter the workforce. Those women, who tend to be the second earners in many families in Canada, would see that their contribution would be less, as a result of income splitting.

We have situations where the government's proposal to income split would disadvantage the poorest, advantage the richest, and disadvantage the women in this country. Those are three philosophies that this party does not accept. We believe that if we are going to redistribute the wealth in this country, we should look after the poorest in this country first. We should look after seniors. We should look after women who make less than men. We should look after the middle-class people who have seen their earnings go off to the bosses and to the 1% of this country. We should look after the people who really need it first in this country.

The notion that we can take almost \$5 billion in wealth and give it to the rich in this country is something that we are so opposed to. We are theoretically and philosophically opposed to taking money from everybody, because that is who pays taxes in this country, and giving the lion's share of it to those who make the most. It does not make sense. It is not something we should do. We will be opposed to that policy should it ever come forward.

● (1400)

**The Acting Speaker (Mr. Barry Devolin):** The time for government orders has expired. Consequently, the five minutes for questions and comments for the hon. member for York South—Weston will take place when this matter returns before the House following question period today.

*Statements by Members***STATEMENTS BY MEMBERS***[English]***SUNNYBROOK VETERANS CENTRE**

**Mr. John Carmichael (Don Valley West, CPC):** Mr. Speaker, on June 6 I had the honour of visiting a photo display at Sunnybrook Veterans Centre in my riding of Don Valley West to commemorate D-Day. There I met with three of the many veterans residing at Sunnybrook. Bernard Julotte, now 98 years old, landed at Normandy on D-Day. It was truly moving to hear his first-hand account of the landing and his vivid memories.

There was a photo love story on display as well, captured by Brigadier-General Harry Brodie, that told the story of how he met his wife during the war. Jack Ford, now 92 years old, had on display a number of photos he took while a member of RCAF Squadron 414's photo unit. While organizing his photos for this year's commemorations, he came upon a stack of negatives. These photos, taken in the days after the invasion when supplies were being brought in, were on full display for residents, family members, and visitors to enjoy.

These are three of the many World War II stories at Sunnybrook Veterans Centre. Let's not forget.

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*[Translation]***HERITAGE PROTECTION**

**Ms. Mylène Freeman (Argenteuil—Papineau—Mirabel, NDP):** Mr. Speaker, the Conservative government's lack of leadership when it comes to heritage protection is jeopardizing a number of historic sites in my magnificent region.

For example, the subsidies granted to the Plaisance Heritage Centre under the Young Canada Works program have suddenly been reduced without any explanation or transparency. Now the centre's season is in jeopardy.

What is more, the Church of the Annunciation in Oka, an extremely precious heritage building, is looking for support because a rosette recently crashed down from the ceiling and landed on the organ, destroying it completely. Even the Grenville Canal, a wonderful canal built just after the War of 1812, is crumbling.

The NDP wants to ensure that there is long-term, predictable funding for history, heritage, and culture. Unlike the Conservatives, the NDP will protect our heritage.

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*[English]***RATANAK INTERNATIONAL WALKATHON**

**Mr. Wladyslaw Lizon (Mississauga East—Cooksville, CPC):** Mr. Speaker, I rise today to bring attention to a special event, the third Ratanak five-kilometre walkathon that took place in Mississauga this past weekend. Ratanak International's focus is to provide support and safety to benefit Cambodian children rescued from the sex trade and to help put their lives back together after facing horrible experiences. Ratanak has helped provide medicine and medical services, has rescued and rehabilitated victims of sex

slavery, and has funded a variety of agricultural programs to help Cambodians rebuild their country.

I would like to congratulate and thank my constituent Larry Dearlove and his organizing team, volunteers, and over 300 participants, who have raised over \$35,000 for this important cause. What a wonderful way to spend a Saturday morning with uplifting people who were there to raise much-needed funds, but also to raise the spirits of children so far away. It is a true privilege to support organizations like Ratanak, whose work changes people's lives.

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**PORTUGAL DAY**

**Mr. Ted Hsu (Kingston and the Islands, Lib.):** Today is Portugal Day, when Portuguese communities around the world commemorate the death of Luis de Camões, the author of *Os Lusíadas*, Portugal's national poem celebrating Portuguese history and achievements. Camões captured the sentiment of the age of discovery, when Portuguese explorers led the world in mapping the coasts of Africa, Asia, and Brazil.

In Toronto, over 200,000 Portuguese Canadians celebrate Portugal Day with a week-long festival in Little Portugal. Portuguese immigrants have helped to build strong communities and successful businesses throughout Canada. The highest per capita Portuguese immigrant population is in my riding of Kingston and the Islands. Centred around Nossa Senhora de Fátima and the Portuguese Cultural Centre, the Portuguese immigrant story is an important part of Kingston's history.

In 2010, the Portuguese Cultural Centre hosted World Cup games, drawing soccer fans from all over. I look forward to World Cup excitement and Portugal's first game next Monday.

*Boa sorte e feliz dia de Portugal!*

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● (1405)

**SHOOTINGS IN MONCTON**

**Mr. Mark Strahl (Chilliwack—Fraser Canyon, CPC):** Mr. Speaker, I rise today to pay tribute to the women and men across our country who put their lives on the line to keep us safe. Whether they put on a military, police, firefighter, or corrections uniform, they put themselves in harm's way so that the rest of us can rest easy.

Today in Chilliwack, the flag at City Hall will be flown at half-mast, and a book of condolences will be available for those wishing to express their sympathies and share words of comfort to the friends, families, and colleagues of the three RCMP officers who were killed in the line of duty in Moncton last week.

Similar gestures of solidarity and support are taking place across the country today.

As Canadians pause to remember three RCMP officers who made the ultimate sacrifice, let us also resolve to give thanks to, and say a prayer for, all of those Canadians who run toward danger, rather than run away from it. May God bless them all.

*Statements by Members***PORTUGAL DAY**

**Mr. Andrew Cash (Davenport, NDP):** Mr. Speaker, today, as Portugal honours its greatest poet, Luis de Camões, it is a privilege for me to honour the Luso Canadian community as we celebrate Portugal Day.

Canada provided a home for many early immigrants from Portugal who left behind decades of fascist rule. They came with next to nothing, but their pockets were full with the desire to contribute and to succeed, not just for their own families and for their own community, but for Canada as a whole. Because of their experience, they wanted to help build a Canada that was fair for all, where everyone had access to opportunity, to health care, and to education.

Today, that very same community's contribution to our cultural, commercial, and social life is one of Canada's great success stories. Portugal Day provides us with an opportunity to reflect not only on those accomplishments but on who we are as Canadians and the Luso Canadian community's vital role in shaping the Canadian identity.

I invite my colleagues and Canadians from coast to coast to coast to celebrate and to congratulate the Portuguese-Canadian community. We wish Portugal good luck in the World Cup.

*Viva Portugal. Viva Canadá.*

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**FARMING IN LAMBTON COUNTY**

**Mrs. Patricia Davidson (Sarnia—Lambton, CPC):** Mr. Speaker, as the member of Parliament for Sarnia—Lambton, I would like to highlight the importance of the agriculture industry across Lambton County. With Lambton County's first ever Breakfast on the Farm event recently selling out, with over 500 tickets sold in a matter of days, we will see first-hand how important this sector is on June 14.

With almost 600,000 acres of prime farm land, farmers across my riding are pleased to see their crops planted and already growing, and they are eager to showcase their products. Their efforts will lead to huge yields of soybeans, wheat, sugar beets, corn, and other fruits and vegetables too numerous to name here today.

Our farmers do not just feed cities, either. They provide important source materials for a booming bio-based chemical industry that is rapidly growing in Canada.

The next time members enjoy food from Ontario, there is a good chance that the product on their plate came from Sarnia—Lambton. They should stop and think about that, and join me in wishing our farmers and their families the best for the current season and beyond.

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**RETIREMENT CONGRATULATIONS**

**Mr. Erin O'Toole (Durham, CPC):** Mr. Speaker, I rise to pay tribute to a great leader from our community in Durham, a leader who also happens to be my father, John O'Toole. He is retiring this week, after 19 years as our member of provincial Parliament.

While raising a family of five children and working 31 years at General Motors, he was always active in our community, ultimately becoming school trustee, local councillor, regional councillor, and then MPP in 1995. In the government of Mike Harris, he served as the parliamentary assistant to the minister of finance, the late Jim Flaherty, and to the minister health, who is now our President of the Treasury Board.

He served with great distinction, and the families of Durham will be truly thankful for his work as an advocate and a champion for our community. He was the iron man of the legislature and spoke in the House more than any other member. I will have to serve 50 years in this House to have as many appearances in *Hansard* as my father.

He remains a personal inspiration to me. I thank my dad for his public service, and I wish him and my mom a happy and healthy retirement.

\* \* \*

● (1410)

[*Translation*]

**YOUTH CENTRES IN QUEBEC**

**Mr. Jonathan Genest-Jourdain (Manicouagan, NDP):** Mr. Speaker, last Saturday, for the first time in 20 years, I got on a bike to join the clients and supporters of the Centres jeunesse du Québec in the 2014 edition of Une route sans fin, a cycling challenge.

Although the ride may have seemed like just one of a politician's professional activities, my involvement in the Baie-Comeau section of the event was primarily motivated by a desire to discreetly gather information and observations that might allow me to assess the cultural appropriateness of the approach used by those caring for a vulnerable clientele, 42% of which is made up of Innu and Naskapi young people.

As a result of conversations with Mr. Huard, the director of the Centre de protection et de réadaptation de la Côte-Nord, I come back to the House to report that the services are well tailored to the realities of a provincial clientele of young people, 117,000 of them each year, who most often come from dysfunctional social units. Having surreptitiously listened in on the discussions during our bike ride, I have no difficulty in concluding that the residents of the centre in Baie-Comeau enjoy outstanding guidance that is in clear contrast to the negligence that too often has marked their short lives.

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[*English*]

**PORTUGAL DAY**

**Mr. Brad Butt (Mississauga—Streetsville, CPC):** Mr. Speaker, today is Portugal Day, and in the coming days, this will be celebrated across Canada with parades and other community gatherings.

*Statements by Members*

Canada is proud to have a well-established and well-integrated Portuguese community across the country. Portugal Day gives all Canadians the opportunity to celebrate Portuguese culture and heritage. Streetsville is home to the Portuguese Cultural Centre of Mississauga and is a vibrant part of our community.

Portuguese explorers were among the first to arrive in Canada. They discovered the land that later became known as Labrador. Indeed, the Portuguese connection to Canada goes back to the very discovery of our country, and today Canadians of Portuguese heritage continue to make Canada strong.

I extend my best wishes to all Canadians taking part in Portugal Day celebrations.

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**NEW WESTMINSTER SALMONBELLIES**

**Mr. Peter Julian (Burnaby—New Westminster, NDP):** Mr. Speaker, I rise today to honour the 125th anniversary of the New Westminster Salmonbellies and to celebrate North America's oldest lacrosse club, winner of 24 national Mann Cup championships, in the greatest lacrosse city in the world.

New Westminster, the oldest city in western Canada, is the home of the Salmonbellies, who are to lacrosse what the Montreal Canadiens are to hockey. We are proud of our bellies, and you can only say that in New West, Mr. Speaker.

The Salmonbellies are active members in the community, participating in the annual Hyack parade, hosting events for Canadian military personnel, sponsoring "Cops for Cancer" with the New Westminster Police Department, and putting on many camps and clinics with the New Westminster Minor Lacrosse Association. The Salmonbellies' 24 Mann Cup banners hang from the rafters in Queen's Park Arena. This year I am confident that the team will bring home its 25th Mann Cup national championship banner.

Congratulations to the Salmonbellies on behalf of the citizens of New Westminster. Go, bellies!

\* \* \*

**70TH ANNIVERSARY OF D-DAY**

**Hon. Laurie Hawn (Edmonton Centre, CPC):** Mr. Speaker, I rise today to talk about last week's D-Day commemoration from the perspective of the children.

There is no doubt of our gratitude and honour for Canadians and Allies who fought and fell in the cause of our collective freedom. It is important that this torch of remembrance be passed to following generations, and that is what we saw happening last week. We saw hundreds of young Canadians on the beach at Juno and at the Canadian cemetery at Bény-sur-Mer. They were learning about and speaking about the service and sacrifice of their grandparents, and I know that they will share their Normandy experiences with their classmates.

We also met many French children, who are absorbing the gratitude of their elders for what Canada means to their life in France today.

One of the simplest and most moving of our events was on the beach with 48 local students. They each picked up sand from the beach and gave it to us to bring back to Parliament as a sign of their young gratitude, sand like I hold in my hand, and then we all sang *O Canada* together.

We all express the sentiment of "Lest We Forget", and I was very encouraged by what I know will become the mantra of young people on both sides of the Atlantic: We will remember them.

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**SHOOTINGS IN MONCTON**

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, all Canadians are united in grief today as we pay our final respects to Fabrice Gevaudan, Douglas Larche, and Dave Ross, three courageous members of the Royal Canadian Mounted Police who gave their lives in the line of duty last week in Moncton. We think of their loved ones, their families, and their friends. We think of Constables Darlene Goguen and Eric Dubois, who were also injured. We think of all their contemporaries who trained with them, as all Mounties have done since 1885, at "Depot" Division in Regina. As they say, it is the place where Mounties are born, and they are born into a force, a tradition, and a police family of remarkable character and calibre that is uniquely and distinctly Canadian.

The RCMP is integral to how this country defines itself. When a member is taken, we all share the loss. We all send our heartfelt sympathies. A grateful nation, together, says thank you and Godspeed.

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● (1415)

**THE ENVIRONMENT**

**Mr. Robert Sopuck (Dauphin—Swan River—Marquette, CPC):** Mr. Speaker, today I am proud to stand up in the House of Commons to inform Canadians of the work our government is doing to reduce greenhouse gas emissions while keeping the economy strong.

Under the previous Liberal government, Canada lacked any policy to reduce these emissions, which is why our government has been working so hard to reduce emissions. We have introduced new emissions regulations for vehicles, and we were the first major coal user to ban the construction of traditional coal-fired power plants.

Climate change is a global issue, and while Canada currently emits less than 2% of global greenhouse gases, we believe it is important to assist other countries. That is why we contributed \$1.2 billion to help developing countries do their part. We achieved all of this without imposing the NDP's \$20-billion carbon tax on Canadians. Thanks to our actions, carbon emissions will go down close to 130 megatonnes from what they would have been under the Liberals.

*Oral Questions*

[Translation]

**SHOOTINGS IN MONCTON**

**Mr. François Pilon (Laval—Les Îles, NDP):** Mr. Speaker, it is with a heavy heart that I rise today in the House to honour the memory of James Larche, Georges Gevaudan and Dave Ross, who were killed by a gunman last Wednesday evening as they were working to keep the people of Moncton safe. Three families were robbed of their loved ones in a cowardly act of senseless violence that shook the whole nation.

On behalf of my colleagues, I would like to express my deepest sympathies to all members of the RCMP, the people of Moncton, and especially the families and loved ones of the three victims. I cannot even begin to imagine the pain and distress these people must be feeling.

None of us here will ever forget the heroism of these three police officers, nor will Canadians across the country. Their dedication to protecting the community of Moncton will be an inspiration for years to come.

My deepest sympathies go out to their family members and friends.

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[English]

**SHOOTINGS IN MONCTON**

**Mrs. Tilly O'Neill Gordon (Miramichi, CPC):** Mr. Speaker, it is with a heavy heart that Canadians from coast to coast to coast turn their attention to Moncton, New Brunswick. Today family and friends, thousands of RCMP officers, law enforcement officials, and first responders, joined by the Governor General, the Prime Minister, and the Minister of Public Safety and Emergency Preparedness, gather in Moncton to honour the lives and memory of three fallen RCMP officers.

Let us take a moment to remember and send our thoughts and prayers to the families and friends of Constable Fabrice Gevaudan, Constable David Ross, and Constable Douglas Larche. A candlelight vigil in honour of the officers is scheduled for 7:30 p.m. in front of the Codiac RCMP headquarters.

I know I speak for all members of the House when I say we shall mourn their passing and that their sacrifice will never be forgotten.

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**ORAL QUESTIONS**

[English]

**FINANCE**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, income splitting is an economic policy that picks winners and losers, a policy opposed by many experts. The late Jim Flaherty voiced his concerns, saying, "I'm not sure that overall it benefits our society." Today another report shows he was right. Nine out of 10 Canadian households would receive no benefit.

Will the Conservative government abandon this unbalanced tax proposal that benefits so very few Canadians?

● (1420)

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Mr. Speaker, our Prime Minister said that income splitting is a good policy for Canadian seniors, and it will be a good policy for Canadian families. Once the budget is balanced, we are committed to continuing to look for greater tax relief for all Canadians. As a result of our low-tax plan, the average Canadian family of four right now has \$3,400 extra in its pockets in 2014. It is because this government has a low-tax plan that helps build jobs, create jobs, and the NDP have a high-tax plan that will take money from Canadians.

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, if the minister has specific facts on this issue, he should make them public, because the facts that we know are very distressing. Under 2% of families with children would ever be eligible for the maximum benefit. There are also vast disparities in different parts of the country, and it would not benefit the middle class or working families.

Let us be clear. This is an ideologically driven, unbalanced fiscal policy designed to reward only a few. Will the Conservatives now agree to abandon this short-sighted and costly tax plan?

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Again, Mr. Speaker, under this government, over one million low-income Canadians, including 380,000 seniors, have been completely removed from the tax rolls in this country. Since we have come to office, we have cut taxes 180 times, reducing the overall tax burden to its lowest level in 50 years. As we approach the next budget, again, we will be looking for measures that will continue to lower taxes for Canadian families, help create jobs, and build this economy.

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**PUBLIC WORKS AND GOVERNMENT SERVICES**

**Ms. Libby Davies (Vancouver East, NDP):** Mr. Speaker, once again, we see that ideology and photo ops trump sound policy. Just as we have seen with gross Conservative mismanagement on fighter jets and the F-35s, Conservatives stubbornly refuse to tell the House or Canadians when the decision will be announced or whether there will be a competition, and now we learn that the Conservatives have been looking for ways to drag this out until after the next election.

Will the government put aside its photo ops and PR and finally agree to an open and accountable procurement process?

**Hon. Diane Finley (Minister of Public Works and Government Services, CPC):** Mr. Speaker, in fact, the procurement process and the review through our seven-point plan have been totally transparent and open. In fact, all the data that has been gathered and that we are looking at, and numerous pieces of analyses, are available on the website so that Canadians know the motions we are going through.

*Oral Questions*

We also brought in an independent panel of outside experts to review the analysis prepared by the armed forces to look at the risk assessment to make sure it was both a rigorous review and one that is impartial. Once a decision has been made, then we will make the announcement.

[*Translation*]

**Mrs. Sadia Groguhé (Saint-Lambert, NDP):** Mr. Speaker, it will soon be eight years since the government signed the memorandum of understanding regarding the procurement of 65 F-35s without a bidding process. Eight years later, it is clear that the Conservative government has not learned from its mistakes. It is preparing to repeat the fiasco, which was criticized by the Auditor General, by once again rushing into the arms of Lockheed Martin without a bidding process.

After eight years of dithering and bungling, why are the Conservatives refusing to launch an open and transparent bidding process and guarantee industrial benefits for Canadians?

**Hon. Diane Finley (Minister of Public Works and Government Services, CPC):** Mr. Speaker, we all know that there were problems with the procurement process to replace the CF-18s. That is why we came up with the seven-point plan in order to conduct the necessary analyses and identify and evaluate all the options for replacing the CF-18s. A decision has not yet been made. Once a decision has been made, then we will make an announcement.

**Mrs. Sadia Groguhé (Saint-Lambert, NDP):** Mr. Speaker, the Conservatives are going to once again put the interests of Lockheed Martin lobbyists above those of Canadians.

While other companies, such as Dassault, are guaranteeing that the aircraft will be assembled in Canada and that it will partner with the aerospace industry, Lockheed Martin is not guaranteeing anything at all. For years, the Conservatives told us that they had a firm contract with Lockheed Martin, which is completely false. There is nothing in their seven-point plan to guarantee a bidding process and nothing to guarantee industrial benefits.

Why are the Conservatives preparing to give billions of dollars to Lockheed Martin without getting anything in return?

•(1425)

**Hon. Diane Finley (Minister of Public Works and Government Services, CPC):** Mr. Speaker, we are working to ensure that the Canadian Forces get the equipment they need to do their job. In order for us to do that properly, research and analyses must be conducted in a rigorous and transparent way. That is what we are doing.

That is why we brought in a panel of experts to review the analysis prepared by the armed forces. Many Canadian companies have already had business opportunities—

**The Speaker:** Order. The hon. member for Wascana.

\* \* \*

[*English*]

### THE ECONOMY

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, the government's economic policy is a full-throated celebration of

mediocrity. At 1.2%, its economic growth record continues to be the worst since R.B. Bennett.

A hundred and forty other countries are projected to grow faster this year than will Canada, including thirteen in the OECD, and at least the U.S. and the U.K. in the G7. The trade balance is in deficit. The current account balance is in deficit. Full-time jobs are being shredded.

Does the government have anything to offer Canadians beyond its mediocre, repetitive talking points?

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Mr. Speaker, again, those just are not the facts. Thanks to the economic action plan, Canada has enjoyed a strong economic performance during both the recession and the recovery.

Over one million net new jobs have been created, of which over 80% are in the private sector and 85% are full time.

The IMF and the OECD both project that Canada will have among the strongest growth in all G7 countries in the years ahead. For the sixth straight year, we have a top credit rating.

The opposition should not be so pessimistic.

**Hon. Ralph Goodale (Wascana, Lib.):** Mr. Speaker, compared to just before the recession, Canada's employment rate today is down, while the unemployment rate is up. There are 230,000 more jobless Canadians looking for work and another 200,000 who have just given up.

The Bank of Montreal calls the Canadian job market “anemic” and “lacklustre”.

Outside of one province, the rest of the country's growth in jobs this past year is a mere rounding error at 0.1%, and add to that sluggish wages, soft working hours, questionable job quality.

Does the government even care that this is a problem for middle-class Canadians?

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Again, Mr. Speaker, even though the global economy remains fragile, this government has always said that. We have stood in the House and we have said that the recovery remains fragile. That is why we must be diligent in keeping our focus on job-creation measures and making certain that the economy is strong.

Since coming to office, Canada has had the strongest job creation record in the G7 and has led in economic growth.

Again, over one million net new jobs have been created since July 2009. These are overwhelmingly full-time jobs in the private sector.

[*Translation*]

**Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.):** Mr. Speaker, the government cannot deny that Canada has shed 26,000 full-time jobs since last month. Behind each of those jobs is a human tragedy.

Our economic growth is lagging behind that of 140 other countries, 13 of which are OECD countries. Our merchandise exports have not even rebounded to pre-recession levels, and Canadian families have an average of \$1.64 in debt for every dollar they make. Our economy is struggling, and Canadians want jobs.

### Oral Questions

Why is the government dragging its feet on the Building Canada fund? At this rate, the construction season will have come and gone. [English]

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Again, Mr. Speaker, all around the world, whether it is the OECD or the IMF, they believe that Canada is on track, that we have the strongest job creation and strongest growth in the economy.

Although he may be pessimistic, I think most people look at Canada very optimistically. Indeed, some countries wish they were in the same position Canada was.

Let us look at what the Liberals have done. Every time measures have been brought forward to help build this economy, they have voted against them, whether it is freezing the EI or tax cuts for manufacturers. One thing for certain is we will—

**The Speaker:** The hon. member for St. John's East.

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### PUBLIC WORKS AND GOVERNMENT SERVICES

**Mr. Jack Harris (St. John's East, NDP):** Mr. Speaker, two years after the review of the F-35 began and eight years after the memorandum of understanding that got the government into this trouble in the first place, the Conservatives are still trying to find a way out of the F-35 dilemma.

Now government spinners are telling the media that they think they might rewrite the specifications, which is something they should have done two years ago. Could the minister confirm if this is true?

• (1430)

**Hon. Diane Finley (Minister of Public Works and Government Services, CPC):** Mr. Speaker, our priority is to ensure that our Canadian Forces receive the equipment they need to do the job we ask of them.

This is a very challenging initiative, but we have launched our seven-point plan to ensure that whatever decision we take is the right one. We are evaluating all of the options to replace the F-18 fleet. No decision has been reached yet, but once we do reach a decision after evaluating all of the options, then we will make the announcement.

**Mr. Jack Harris (St. John's East, NDP):** Mr. Speaker, as a Conservative source told *The Globe and Mail*, rewriting specifications could “be a way for the government to show action without having to make a commitment”.

Conservative staff has told the media that there will be a briefing on Thursday. Is the government just trying to buy more time, or will there indeed be a fair competition with guarantees for jobs for the CF-18 replacement program?

**Hon. Diane Finley (Minister of Public Works and Government Services, CPC):** Mr. Speaker, as I indicated to the New Democrats yesterday, they really should not believe everything they read in the press. There are different reports about all the different things we could do, each one of them claiming to be what we would do. We could not possibly do them all.

Various ministers are reviewing a report from the analysis that has been prepared by the RCAF and has been viewed and reviewed by

an independent panel of experts on this subject to ensure that the analysis is both rigorous and impartial. Once the decision has been taken, we will make an announcement.

[Translation]

**Ms. Éline Michaud (Portneuf—Jacques-Cartier, NDP):** Mr. Speaker, according to media reports, it seems that the government has decided to rewrite the specifications for the fighter jets that will replace the CF-18s. Observers are skeptical, however, because once again, everything seems to have been set up in a way that eliminates Lockheed Martin's competitors.

An open, transparent bidding process is the only way to guarantee the best technology at the best price and maximize industrial benefits for Canadians. Why are the Conservatives ruling out that option?

**Hon. Diane Finley (Minister of Public Works and Government Services, CPC):** Mr. Speaker, as I just said, no decision has been made about replacing the CF-18 fleet. The ministers have received reports prepared by the Canadian Forces and reviewed by an independent panel of experts to ensure that the analyses are rigorous and impartial. We will make a decision and, once we have, we will announce it.

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### THE ENVIRONMENT

**Mr. François Choquette (Drummond, NDP):** Mr. Speaker, yesterday, the Prime Minister demonstrated the full breadth of his ignorance regarding the fight against climate change by opposing it to job creation. His apocalyptic vision for our economy is equalled only by the proliferation of extreme weather events.

We are talking about a cost to the Canadian economy of \$5 billion per year. Therefore, it is the Conservatives' inaction in the fight against climate change that causes the most damage to our jobs and our economy.

When will the Conservatives take the steps necessary to live up to their Copenhagen commitment?

**Mr. Colin Carrie (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, clearly, the NDP does not understand the concept of balance. They always say no to responsible economic development. They say no to greenhouse gas reductions and to responsible transportation by pipeline. They say no to the environmental protection measures in our budget without reading it.

The only thing the NDP says yes to is a \$20-billion carbon tax.

[English]

**Ms. Megan Leslie (Halifax, NDP):** Mr. Speaker, it is false to claim that taking action against climate change is bad for jobs and growth. Otherwise, Finland would not have just announced that it will reduce emissions by 80% by 2050, and the United States would not have committed to reaching its Copenhagen targets.

*Oral Questions*

Yesterday, our Prime Minister sadly took his place among world leaders who are failing on climate change. Will the minister now correct the Prime Minister and acknowledge that growing our economy and fighting climate change must be done together?

**Mr. Colin Carrie (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, we are taking a balanced approach. I think most people forget that Canada represents less than 2% of global emissions, while the U.S. produces almost 20%.

Canadians need to know that the coal-fired energy generation in the U.S. produces the greenhouse gas emissions of all the emissions produced in Canada, combined.

We are pleased the U.S. is following Canada's footsteps. We continue to build on our record and work with the U.S. to help reduce greenhouse gas emissions internationally. We will do it without a \$20-billion carbon tax.

• (1435)

**Ms. Megan Leslie (Halifax, NDP):** Mr. Speaker, someone once said, "Don't indulge your theories, think of your children and listen to the experts". That was the Prime Minister, yet Conservatives are living in climate denial.

The Conservatives are placing ideology ahead of the well-being of Canadians. They have no vision of what Canada could be. We could excel in research and development, promoting alternative energies, building new industries and leading the way in green technologies. We could be a leader in creating good sustainable jobs and reducing greenhouse gas emissions.

Why does the minister not want Canada to be a leader in tomorrow's green energy economy?

**Mr. Colin Carrie (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, of course we are a leader: 77% of Canada's electricity comes from non-emitting sources. We are the first major coal user to ban construction of traditional coal-fired electricity generation units. The first 21 years, for example, of our new coal regulations are expected to result in a cumulative reduction of greenhouse gas emissions of 214 megatonnes, which is equivalent to removing 2.6 million personal vehicles from the road per year. Our regulations for heavy-duty vehicles would reduce carbon emissions in those vehicles by up to 23%.

What does the NDP have to offer? A carbon tax; a tax on everything.

\* \* \*

[Translation]

**TAXATION**

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Speaker, the Conservatives' income splitting plan is as ill-advised as their inaction on climate change.

It will cost federal and provincial budgets more than \$5 billion, and 86% of Canadians will get no benefit from it at all. Economists, analysts and even the former minister of finance have all expressed their opposition to this bad idea.

By providing a tax break worth \$5 billion to the most wealthy, the government is going to erode public finances and make our society less just.

How can the minister support such a retrograde measure?

[English]

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Mr. Speaker, again, we are delivering historic tax relief, leaving more money in the pockets of Canadians where it belongs.

Total savings for a typical family are \$3,400 in 2014. We have increased the amount Canadians earn tax free. We have introduced pension income splitting. We have reduced the GST from 7% to 5%. We introduced important tax credits, including the Canada employment credit, the working income tax benefit and child tax credit, just to name a few.

[Translation]

**Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP):** Mr. Speaker, the eventual return to a balanced budget should bring with it sensible economic decisions.

Since 2006, under Conservative rule, the public debt has increased by more than 60% and public services to Canadians have been sliced and diced.

Income splitting, as proposed, will cost the federal government \$3 billion and will prevent us from tackling the debt and reinvesting in services to Canadians.

How can the minister support a measure that will put us back into deficit just as a balanced budget has been achieved?

[English]

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Mr. Speaker, we are not looking at any measures that would ever put us back into a deficit. We are coming to a balanced budget in 2015, as we promised Canadians. When we do, we will look at other measures in which we can help lower the tax burden for Canadians.

We established the landmark tax-free savings account, the most important personal savings vehicle since RRSPs. The NDP opposed it. Tax Freedom Day is over two weeks earlier than when the Liberals were in power.

Again, we are lowering taxes. Over one million low-income Canadians are removed from the tax rolls, 380,000 of them seniors.

**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, a lot of those people are not paying taxes because they do not have a job or do not earn enough, thanks to the Conservative government.

The Conservative \$5 billion income-splitting scheme would give the most money to people who need it the least. There is nothing for single moms. There is nothing for parents who are in the same tax bracket. There is nothing for 86% of Canadians.

*Oral Questions*

Canadian families have changed a lot over the years and take every shape and size, yet the Conservatives have not kept pace. I am sure the Conservatives thought the fifties were sure swell, but we need policies that work in 2014. When will they change their mind on this policy that is bad for Canadian families?

● (1440)

**Hon. Kevin Sorenson (Minister of State (Finance), CPC):** Mr. Speaker, unlike the tax-and-spend opposition, we do not believe Canadians should spend more money. As I travel across the country, I do not hear a lot of Canadians say that Ottawa is not taking enough revenues and that we have a revenue problem in Ottawa.

We are leaving more money in the pockets of Canadians, \$3,400 a year for the average family of four in 2014. We have cut taxes in every way government collects them: personal, consumption, business, excise taxes and more. Since we have come to power we have cut taxes over 180 times. The NDP voted—

**The Speaker:** The hon. member for Markham—Unionville.

\* \* \*

[Translation]

**EMPLOYMENT**

**Hon. John McCallum (Markham—Unionville, Lib.):** Mr. Speaker, in the natural resources industry, temporary foreign workers are packed into dormitories like sardines and forced to work an unacceptable number of hours.

In the trucking industry, temporary foreign workers are drawn in by false promises of permanent residency and are then exploited. This is a very serious problem.

Why is the minister doing nothing to put a stop to these abuses?

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, we have taken major steps to prevent abuses related to the program. We are punishing employers who do not follow the rules.

For example, we have created a black list to which we are adding more and more bad employers. In the budget bill, we created penalties for bad employers. In addition, I have asked my department to work with the Canada Border Services Agency on files of a criminal nature.

We are taking action on this file.

[English]

**Hon. John McCallum (Markham—Unionville, Lib.):** Mr. Speaker, Conservatives have a blacklist of five employers. Guess how many of these have actually had their licence revoked? Zero. They promised fines. Guess how many companies have been fined? Zero. They are doing nothing.

This is a really important issue about which Canadians care deeply: pervasive abuse of temporary foreign workers. Will the minister finally answer seriously and do something about it?

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, when the member says their licence has not been pulled, I do not know what he is talking about. There is no such thing as a licence in the program. How ridiculous. We have a Liberal

immigration critic who does not even understand the first thing about the program.

The blacklist means that employers cannot access labour market opinions or work permits. How many employers were on the blacklist during 13 years of Liberal government? Zero. Why? Because Liberals did not have a blacklist. They did not have administrative and monetary penalties. They did not refer criminal cases for criminal prosecution. We are. We are taking action.

**Some hon. members:** Oh, oh!

**The Speaker:** It sounds like once again members are getting confused as to the sequence. When members are asking the question, members are supposed to be silent and asking their supplementals when the minister is finished answering them. We will try to keep that in mind from now on.

The hon. member for Vancouver Quadra has the floor.

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**PUBLIC WORKS AND GOVERNMENT SERVICES**

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Mr. Speaker, after the Auditor General exposed the Conservatives for completely botching the CF-18 jet replacement, they promised a thorough review of the process. We are now learning that the review has been rigged to select the F-35 jets, so was this a seven-point plan, or a seven-point scam?

The panel's report is not classified, but the government is refusing to release it. Why will the Conservatives not table this report? Why can Canadians not know the truth?

**Hon. Diane Finley (Minister of Public Works and Government Services, CPC):** Mr. Speaker, the truth is that it was the Liberals who signed the original documents for the F-35s, and look where that got us. That is why we had to step back and launch a seven-point plan to review the process, so that all of the options could be properly evaluated in a way that was both rigorous and impartial.

That has been done. It has been reviewed by a panel of independent experts to make sure that those terms were met. The ministers are now in the process of reviewing a wide range of reports that they need to make sure we make the right decision in getting the equipment that our forces need to do the job we ask of them.

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● (1445)

[Translation]

**CITIZENSHIP AND IMMIGRATION**

**Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP):** Mr. Speaker, when the Conservatives announced that Marc Nadon had been appointed to the Supreme Court, Rocco Galati, a Toronto lawyer, immediately challenged the constitutionality of the appointment and managed to have it revoked.

Now Mr. Galati has given notice that he will take the government to court if it cannot prove that its citizenship reform bill is constitutional.

*Oral Questions*

Will the Conservatives avoid making the same mistake twice? Will they listen to Mr. Galati's advice and take their bill to the Supreme Court to ensure that it is constitutional?

[*English*]

**Hon. Peter MacKay (Minister of Justice and Attorney General of Canada, CPC):** Mr. Speaker, here is what we do around this place. The government actually introduces bills. They are examined by Parliament. They go to committees. That is one of the fundamental obligations of the elected body in this country. Do bills eventually make their way into law that result in challenges from lawyers around the country? Yes. In fact, they do. However, let us live up to our obligation. Let us do our work. Let us examine bills in committee. Let us not wait for lawyers and courts to step in and do our work for us.

[*Translation*]

**Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP):** Mr. Speaker, the Canadian Bar Association, UNICEF, the Canadian Association of Refugee Lawyers, Amnesty International, the Canadian Council for Refugees and many other experts agree that Bill C-24 does not comply with the Canadian Charter of Rights and Freedoms or international law.

They believe that some parts of the bill are unconstitutional. If the Conservatives really want to improve the Citizenship Act, why are they stubbornly ignoring these experts? Why not amend Bill C-24?

**Hon. Chris Alexander (Minister of Citizenship and Immigration, CPC):** Mr. Speaker, virtually all Canadians believe that citizenship should be revoked if it was obtained—

**Some hon. members:** Oh, oh!

[*English*]

**The Speaker:** Order, please. Members know that they are supposed to wait until the minister is finished answering the question to applaud. I am sure they will be happy to give him their applause when he is finished answering the question, but we should wait until then.

The hon. Minister of Immigration.

**Hon. Chris Alexander:** Mr. Speaker, if the hon. members do not want to listen to us, then we do not understand why they ask questions.

Canadians are virtually unanimous in accepting that citizenship be revoked when it has been obtained fraudulently, as we already do and have the power to do. It is very popular, under the authority of the Federal Court, that power be expanded to allow citizenship to be revoked when new Canadians have misled us with regard to war crimes that they have committed in the past, or human rights violations that they committed in the past. We consider it completely acceptable that dual nationals should lose their citizenship for treason, for spying, and for terrorism.

**Mr. Andrew Cash (Davenport, NDP):** Mr. Speaker, that is a pretty liberal definition of the word “unanimous”.

The Canadian Bar Association, UNICEF, Amnesty International, and the Canadian Council for Refugees have all raised concerns about this bill. Now the Constitutional Rights Centre says that it will challenge this in court if the Conservatives let this stand. Will

Conservatives stop ramming through a bill that they know is going to be dragged through Canadian courts for years?

**Hon. Chris Alexander (Minister of Citizenship and Immigration, CPC):** Mr. Speaker, once again, the members opposite are not listening. The power to revoke citizenship already exists for administrative reasons when it has been fraudulently obtained. Under the new act, we would have the power to revoke it when someone has refused to reveal that they have committed crimes, committed human rights abuses, committed war crimes, and yes, Canadians find it entirely acceptable that we should revoke the citizenship of dual nationals for terrorism, spying, or treason.

**Mr. Andrew Cash (Davenport, NDP):** Mr. Speaker, how much bad legislation can one government draft? It seems that for these Conservatives, the sky is the limit.

Let us enumerate: a Supreme Court pick, rejected; the crime bill is overturned; the Senate reform proposal, ruled unconstitutional, and that was just the spring session.

Now the Conservatives are stubbornly forging ahead with another unconstitutional bill. Will the Conservatives listen to Canadians, start respecting Canadians' rights, and withdraw this bill?

• (1450)

**Hon. Chris Alexander (Minister of Citizenship and Immigration, CPC):** Mr. Speaker, that question speaks to the pitiful quality of opposition criticism and commentary throughout this debate on Bill C-24. We will stand behind a bill if the main opponent to it is the disgraced ideological former lawyer of the Khadr family.

\* \* \*

**PUBLIC SAFETY**

**Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC):** Mr. Speaker, three RCMP officers were killed, and two others were wounded in Moncton—

**Hon. Carolyn Bennett:** Shameful.

**The Speaker:** Order, please. I am going to ask the member for St. Paul's to come to order. I can hear her voice all the way up here, and I can only imagine what it sounds like on that end of the chamber.

We have moved on to the next question, and the member for Desnethé—Missinippi—Churchill River has the floor.

**Mr. Rob Clarke:** Mr. Speaker, three RCMP officers were killed, and two others were wounded in Moncton. Having personally experienced the loss of two members of the RCMP at Spiritwood detachment, I have seen a community's pain.

This tragic loss has shown the true resiliency of the people of Moncton and New Brunswick. I have seen and heard countless stories of the bravery of ordinary citizens helping one another stay safe, and the incredible courage in the face of imminent danger of front-line police officers from across the region, in apprehending the suspect in the early hours of Friday morning.

*Oral Questions*

As Canada lays these three heroes to rest today, can the parliamentary secretary please update the House on this situation?

**Ms. Roxanne James (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, CPC):** Mr. Speaker, I would like to first thank the member for Desnethé—Missinipi—Churchill River for that question and for his service in the RCMP.

Our thoughts and prayers continue to go out to the family and friends of the three Canadian heroes who lost their lives in Moncton last week.

Today's ceremony, attended by the Governor General, the Prime Minister and the Minister of Public Safety and Emergency Preparedness, is a testament to the good work that the RCMP does to keep Canadians safe right across this country.

On behalf of the government and all Canadians, we expect the individual responsible for these horrific and brutal crimes to be held accountable to the full extent of the law.

[Translation]

**Ms. Rosane Doré Lefebvre (Alfred-Pellan, NDP):** Mr. Speaker, this is the second time in 15 months that prisoners have managed to escape from a provincial prison in Quebec with the help of a helicopter. After the first incident at the Saint-Jérôme prison, the Government of Quebec asked Transport Canada to impose no-fly zones over Quebec prisons. It seems this request fell on deaf ears.

Can the Minister of Transport confirm that she received that request? Can she tell us whether she will implement the same no-fly zones over provincial prisons as over federal prisons?

[English]

**Ms. Roxanne James (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, CPC):** Mr. Speaker, as the member opposite knows, this was a provincial jail and certainly was under provincial jurisdiction.

I would like to inform the members of this House, and all Canadians across the country, that Correctional Service Canada officers, under federal jurisdiction, have the tools they need to prevent these types of incidents.

Of course, our government is always ready to assist the Province of Quebec in this matter.

**Mr. Randall Garrison (Esquimalt—Juan de Fuca, NDP):** Mr. Speaker, that is just what we are asking about.

Last year, the Quebec minister of public safety requested a no-fly zone over Quebec prisons. Right now, federal prisons are no-fly zones, but provincial facilities are not. Apparently, he has never even had a response to his request and now, once again, there has been a dangerous prison break using a helicopter from a Quebec institution.

Instead of blaming the provinces for not carrying out their duties, why will the minister not take the initiative, contact the counterpart in Quebec, and implement a no-fly zone over Quebec penitentiaries?

**Ms. Roxanne James (Parliamentary Secretary to the Minister of Public Safety and Emergency Preparedness, CPC):** Mr. Speaker, as the member knows, and as I just mentioned to the

House, this is a matter under provincial jurisdiction. It was a provincial jail.

Of course, as the member knows, and all Canadians know across this country, under federal penitentiaries and jurisdiction, our officers have the ability to deal with these situations.

\* \* \*

[Translation]

**PRIVACY**

**Ms. Charmaine Borg (Terrebonne—Blainville, NDP):** Mr. Speaker, according to the Privacy Commissioner, 97% of companies collect personal information about their clients. In the digital age, that information can be shared or stolen more easily than ever. Bill S-4 contains some important measures, but also some ill-conceived measures that will allow companies to share information without a warrant and without notifying their clients.

Will the government agree to amend this bill in order to correct these dangerous measures?

• (1455)

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, these are effective and responsible measures that we adopted and included in a bill after numerous consultations with the private sector, the wireless sector and consumer advocacy groups. This morning or yesterday, the Senate studied three amendments and adopted one of them. This bill will come to the House. The hon. member and her colleagues will have the opportunity to examine the bill and propose amendments if they want.

[English]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, I am hoping that the minister can dial into the House and tell us if he has read Bill S-4. There are some serious questions about it, such as the fact that it would allow corporations to go to other corporations to take private information on Canadians, without consent, without notification, including their private Internet use.

My question is, did he think it was a good idea to give corporations this free hand to snoop, or did he just not understand the legislation and that this loophole has created open season for spying on Canadians?

**Hon. James Moore (Minister of Industry, CPC):** Mr. Speaker, there are certainly some times when—for example, to prevent elder abuse, to prevent the abuse of kids who are online, who often go onto websites where they are not aware of being abused online or their personal information is being stolen and credit card information can be stolen—there are circumstances, with the voluntary compliance of consumers, where this information can be shared with security organizations.

Of course warrants are required if there are investigations. We dealt with this issue at the Senate. We adopted an amendment at the Senate committee and it will come to the House of Commons where we will move forward. If the opposition has anything other than noise to offer, we will certainly consider amendments, if the members have something reasonable to say.

*Oral Questions***THE ENVIRONMENT**

**Hon. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, British Columbia communities like Kitimat have clearly expressed their opposition to the northern gateway pipeline. First nations are very worried about environmental risks involved, yet the ideology-driven government ignores these legitimate concerns. Why will it not listen to millions of Canadians and put away the rubber stamp?

**Mrs. Kelly Block (Parliamentary Secretary to the Minister of Natural Resources, CPC):** Mr. Speaker, the joint review panel has submitted its report on the proposed project to the government.

Projects will only be approved if they are safe for Canadians and safe for the environment. We are carefully reviewing this report, and a decision will be forthcoming.

\* \* \*

**THE ENVIRONMENT**

**Hon. John McKay (Scarborough—Guildwood, Lib.):** Mr. Speaker, the Prime Minister seems to enjoy frank conversation with respect to climate change and the economy.

How is this for some inconvenient frankness?

The IMF says:

...the costs of inaction on climate change are irreversible, potentially catastrophic....

CP says:

Canada ranks worst on climate [change]...among industrialized [nations]....

*The Globe and Mail* says:

Canada's lagging on climate change is putting the economy at risk.

Frankly speaking, how does this “beggar thy neighbour” attitude on climate change actually help with creating Canadian jobs, growth, and prosperity?

**Mr. Colin Carrie (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, as I said earlier, we have a balanced approach. Our priority is to protect the environment while keeping the economy strong.

We have made significant investments to begin Canada's transition to a clean energy economy and advance our climate change objectives.

The actions we have taken on climate change will bring carbon emissions down to close to 130 megatons, compared to what they would have been under the Liberal Party.

I am proud to be part of a government that is getting real results for Canadians, unlike that party that had 13 long years and did absolutely nothing about it.

\* \* \*

**ABORIGINAL AFFAIRS**

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, in January, Justice Paul Perell called out the federal government for suppressing evidence about what had happened at St. Anne's Residential School.

He ordered the government to turn over that evidence so that survivors could get the compensation they were entitled to. However, once again, the government is stalling and refusing to turn over key transcripts.

When will the government just come clean, obey the judge's orders, and allow the victims of St. Anne's to get the justice they deserve?

**Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC):** Mr. Speaker, the premise of the hon. member's question is totally false.

Our government continues, and will continue, to receive and disclose the documents through the process that was agreed to by all the parties to the Indian residential schools settlement agreement.

We will continue to take our obligations seriously, which we do every day.

• (1500)

[*Translation*]

**Mr. Romeo Saganash (Abitibi—Baie-James—Nunavik—Eeyou, NDP):** Mr. Speaker, here is the real premise of the question.

The federal government's apology should be the start of a reconciliation process with the aboriginal peoples. However, if the Conservatives continue to hide information about what happened in residential schools, victims will never be able to move past that trauma.

Even after a court ruling in favour of the victims, they are still fighting for justice.

When will the Conservatives stop their obstruction and make every single document public? When?

**Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development, CPC):** Mr. Speaker, my answer will be the same as my first one.

If my colleague had respect for the courts, he would know that they are currently examining these allegations and that we must let them do so.

Our government will continue to receive and disclose these documents through the process that was agreed to by all the parties in the agreement.

\* \* \*

[*English*]

**THE ENVIRONMENT**

**Ms. Joan Crockatt (Calgary Centre, CPC):** Mr. Speaker, countries around the world are addressing climate change while keeping their economies in mind.

Last week, U.S. President Barack Obama brought in new carbon regulations for power plants, and we welcome those. This week, Australia's Prime Minister Tony Abbott reiterated that countries should be addressing climate change but we should not clobber the economy.

### Oral Questions

In Canada, we believe that energy and the environment work together. Would the Parliamentary Secretary to the Minister of the Environment please tell the House what actions we are taking to reduce GHGs while keeping our economy strong?

**Mr. Colin Carrie (Parliamentary Secretary to the Minister of the Environment, CPC):** Mr. Speaker, I thank my colleague from Calgary Centre for the question. I want to thank her for all her good work on this file.

The actions outlined by President Obama do not go nearly as far in the electricity sector as the actions that Canada has already taken. Canada's rules are tougher and will affect new power plants sooner than regulations in the United States. We are pleased that the United States is following Canada's lead.

Australian Prime Minister Tony Abbott agrees with our approach that we can take actions to limit emissions without destroying our economy, as the NDP would like to do. We commend the Australian government for encouraging other countries not to impose a multi-billion dollar carbon tax, which is what the Liberals and the NDP have—

**The Speaker:** Order, please. The hon. member for Etobicoke North.

\* \* \*

### FOREIGN AFFAIRS

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** Mr. Speaker, gunmen abducted 20 women from a remote village in northeastern Nigeria, as 272 schoolgirls kidnapped by the terrorist Boko Haram continue to be held captive.

Could the minister of international co-operation tell us what specific resources Canada has sent to Nigeria to help search for the missing schoolgirls, whether these resources are on the ground, and whether Canada attended the Paris summit to boost the search for these schoolgirls?

**Hon. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and for International Human Rights, CPC):** Mr. Speaker, Canada is very seriously concerned by these new reports that have come out that say Boko Haram has kidnapped 20 additional women. We are very concerned about the security situation in West Africa. Canada is doing its part, helping with its allies, providing all the logistical support it can. We will continue doing that.

\* \* \*

[Translation]

### GOVERNMENT APPOINTMENTS

**Mr. Robert Aubin (Trois-Rivières, NDP):** Mr. Speaker, when the Conservatives replaced the boards of referees with the Social Security Tribunal, we told them that they were making a mistake, and now we see that we were right.

The Conservatives' management of these tribunals is worrisome. The process does not allow for a fair and quick decision. What is worse, we have learned that, one year later, 11 member positions are still vacant. These seats are sitting empty while Canadians are facing extreme delays before their cases are heard.

How does the government plan on dealing with this fiasco?

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, we continue to appoint members to the Social Security Tribunal. This new quasi-judicial organization is becoming increasingly effective with its decisions, and the chairperson keeps me updated.

We will continue to work with the tribunal to ensure that it is able to reduce backlogs on appeals.

\* \* \*

• (1505)

[English]

### NATURAL RESOURCES

**Hon. Rob Merrifield (Yellowhead, CPC):** Mr. Speaker, our government has focused on responsible resource development that protects the environment. There are 84 pipelines crossing the 49th parallel today.

The average approval time for those pipelines is three and a half months. The Keystone XL pipeline is now in its sixth year of deliberations. It is a project that would strengthen North American energy security. It would create jobs on both sides of the border. It would lower risk and rail congestion.

Could the parliamentary secretary tell us more about why our government supports the approval of the Keystone XL pipeline?

**Mrs. Kelly Block (Parliamentary Secretary to the Minister of Natural Resources, CPC):** Mr. Speaker, I would like to thank the member for Yellowhead for that question. A total of five separate assessments by the U.S. State Department have concluded that this project would have no significant environmental impacts. Furthermore, alternatives to the Keystone XL project could increase emissions by 28% to 42%.

Our government stands with the hard-working Canadians who are positioned to benefit from this project. Why will the NDP not do the same?

\* \* \*

### CITIZENSHIP AND IMMIGRATION

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Mr. Speaker, Jozsef Pusuma and his family have lived in sanctuary in a Toronto church for the last 30 months. As Roma, they left Hungary due to the segregation and persecution they were subject to.

Now, Mr. Pusuma's daughter cannot even play outside for fear of being deported. Why? It is because the Conservative government lists Hungary as a designated country of origin, effectively calling it safe.

When will the Conservatives admit that they made a mistake when they put Hungary on the designated country of origin list?

**Hon. Chris Alexander (Minister of Citizenship and Immigration, CPC):** Mr. Speaker, I will not make any apologies for the very successful reform of our asylum system that took place under the leadership of my colleague, now the Minister of Employment and Social Development.

These decisions are made by an independent tribunal, by absolutely highly trained professionals who, under our laws, take decisions independently of elected politicians, independent of the partisan back and forth in this place. That is the way it should be.

There are several options for appeal. Once those have been exhausted, we expect those who have not had their cases upheld to depart Canada.

\* \* \*

### EMPLOYMENT

**Mr. Brent Rathgeber (Edmonton—St. Albert, Ind.):** Mr. Speaker, when will the Minister of Employment lift the blanket moratorium on temporary foreign workers in the fast food industry?

**Hon. Jason Kenney (Minister of Employment and Social Development and Minister for Multiculturalism, CPC):** Mr. Speaker, it will be when we announce broader reforms to the temporary foreign worker program designed to prevent abuses, severely punish non-compliant employers, and prevent distortions in certain regions or industries in the Canadian labour market.

We will ensure that Canadians always come first, and if that means employers have to pay a little more and be more active in recruiting and training Canadians, that is a good thing.

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### POINTS OF ORDER

#### ORAL QUESTIONS

**Ms. Elizabeth May (Saanich—Gulf Islands, GP):** Mr. Speaker, I certainly took your point earlier today in trying to reduce the amount of heckling in this corner of the House. It is much appreciated. However, I think that in calling the member for St. Paul's, and I will admit I wish that heckling did not occur from her or others, I quite often hear very loudly the voice of the member for Essex and I think even—

**The Speaker:** Orders of the day.

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## GOVERNMENT ORDERS

[*English*]

### BUSINESS OF SUPPLY

#### OPPOSITION MOTION—INCOME SPLITTING

The House resumed consideration of the motion.

**The Speaker:** We were moving to questions and comments for the hon. member for York South—Weston.

Questions and comments, the hon. minister of state.

• (1510)

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, I enjoyed listening to the member's comments earlier, but I have to admit I have absolutely no understanding of where he is going with his comments. I know that when I was elected to come to the House of Commons, it was to actually protect taxpayers from governments

### *Business of Supply*

that were charging too much money. It appears that he is objecting to more tax cuts for Canadians.

What I am asking the member to do is consider the totality of what this government has done with its tax cuts. The economic action plan is a strategic year-over-year plan that includes the reduction of taxes, over \$200 billion less in taxes to Canadians as a result of this Conservative government.

One plan does not meet all needs and that is why we have reduced taxes for farmers, families, seniors, students, just name it, small businesses, apprentices, people with disabilities, et cetera. Now we have another opportunity to add yet one more piece to the puzzle that represents quality of life for Canadians.

Why does the member not have the ability to put it all together and think about the bigger picture?

**Mr. Mike Sullivan (York South—Weston, NDP):** That is just what I am doing, Mr. Speaker. I do think about the bigger picture. The bigger picture clearly is that people who are at the low end of the economic spectrum would expect that the government would take the \$5 billion and share it on a more equitable basis than just giving it to the most wealthy in this country. The most wealthy in this country do not need that \$5 billion, and that \$5 billion will come out of the pockets of the people who are all across the spectrum, including the poorest in this country. It is absolutely unforgivable that we take money from the pockets of the poor and give it to the rich. That is the opposite of what we should be doing.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, income inequality is an important issue. It is an issue we attempted to address in the House, from the Liberal Party's perspective, two years ago when we made the suggestion that we needed to get the committee to come up with tangible recommendations that would make a difference, to try to close the gap.

One of the most important things to recognize is that we need a holistic approach. We need to get the provinces and the federal government looking at policies that would, in fact, close the gap. Political parties, whether they are New Democrats, Conservatives, or Liberals, have at times fallen short.

My question for my colleague is this. Would he not acknowledge how important it is that we take a look at policies in taxation, a joint responsibility between provinces and the federal government, so that the provinces and Ottawa have the ability to make a difference and close the gap on income inequality?

**Mr. Mike Sullivan:** Mr. Speaker, the income inequality gap will not be closed by this Conservative action in any way, shape, or form. In fact, it is making it even worse. It is taking money from the poor and giving it to the rich. That is something the Liberals and Conservatives have been doing for the last 30 years. We need to stop this merry-go-round of taxing poor people so that rich people can get richer. That is the exactly the opposite of what we should be doing.

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**Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP):** Mr. Speaker, it is an amazing phenomenon to watch Conservative speaker after speaker reference Canadians broadly as benefiting from this very narrow and very expensive income splitting scheme. The Conservatives keep omitting that 86% of all Canadian families will see no benefit whatsoever. Of those families who happen to qualify, who happen to fit into the narrow definition as proposed by the Conservatives, only a few of them will see the maximum benefit, and that would be those families and those individuals who happen to earn more than \$150,000, like some members of Parliament. For average working families, if they are in the same tax bracket, if it is a single mom or single dad, if they do not have kids, or if the kids have moved out by 18, all of these Canadians, that is the 86% that we are talking about.

Given this vast amount of money, \$5 billion out of the treasury to help Canadian families make ends meet, have that opportunity gap narrowed so that those who are born into lesser circumstances can achieve more through hard work, what kinds of suggestions would New Democrats offer to Canadians as opposed to the narrow ideology we see from the Conservatives?

• (1515)

**Mr. Mike Sullivan:** Mr. Speaker, the Conservatives rejected our very thoughtful proposal to create a national housing strategy. Most of the individuals in the city of Toronto who live in the big towers are close to being homeless.

Five billion dollars would be almost all of the money required to make sure that every family in this country was housed appropriately.

That is the kind of thing that the New Democratic Party would look at doing if we had \$5 billion left over at the end of the day.

**Mr. Andrew Saxton (Parliamentary Secretary to the Minister of Finance, CPC):** Mr. Speaker, I am pleased to have this opportunity to address the motion before us today. Hon. members of the House may differ on solutions, but I am sure we can all agree that we must continuously look for ways to improve the lives of all Canadians. However, while the opposition would have one believe that our government is doing little to help families, I will take this time to correct the record.

Frankly, the facts speak for themselves. Under this Conservative government, Canadians in all income groups are better off. Canadian families, at all income levels, have seen increases of about 10% or more in real after-tax, after-transfer incomes across the board since 2006. The lowest-income Canadians have seen a 14% increase alone during that same time period.

Income inequality has not increased in Canada since 2006. In fact, it has decreased. Canadian families, at all income levels, have had higher incomes after taxes, after transfers, and after inflation, in 2011 and prior to the recession.

Furthermore, the median net worth of Canadian families has increased by almost 45% in real terms since 2006.

While the opposition continues to pose high-tax schemes that would actually increase income inequality and leave less money in the pockets of Canadians, our government is actually taking action and standing up for Canadian families.

Our Conservative government has been clear that one of the most effective ways to support Canadian families is by providing tax relief. It does not stop there. Our government has seen to it that the federal tax burden is at its lowest level in over 50 years. We have removed over one million low-income Canadians from the tax rolls completely. We have introduced nearly 180 tax relief measures since we took office in 2006, reducing taxes in every way the government collects them.

Let me list a few of them.

We have reduced the GST from 7% to 5%. That is a 27% reduction in GST, putting more than \$1,000 back into pockets of the average Canadian family.

We have introduced the landmark tax-free savings account, the most important personal savings vehicle since RRSPs. I must point out that more than nine million Canadians have since opened a tax-free savings account.

We have introduced the child tax credit, a credit on an amount of \$2,255 for each child under the age of 18.

We have introduced the universal child care benefit, offering families more choice in child care by providing up to \$1,200 a year for each child under the age of six.

The NDP members who stand today and claim that they know what is best for Canadians voted against every one of these measures. The opposition will continue to reject our efforts to keep taxes low. That is the reality we face. The opposition prefers that we adopt dangerous economic policies that would kill business investment and jobs, and hurt Canadian families by taking more of their hard-earned money.

We will not take economic lessons from the opposition. Let me remind the opposition that under our Conservative government, we have seen the benefits of Canada's economic action plan. Canada's economy has seen one of the best economic performances among all G7 countries in recent years, both during the global recession and throughout the recovery. This was due to strong economic leadership, fiscal discipline, long-term thinking, and tough decisions.

With that, I would like to take the rest of my time today to expand upon a few of the very important measures my colleagues on this side of the House listed earlier today.

To begin, let me take members back to budget 2007, when our government introduced the working income tax benefit, the WITB. The WITB fulfilled our government's commitment to help make work more rewarding for low-income Canadians already in the workforce. It increased the incentive for other low-income Canadians to enter the workforce, as well.

Economic action plan 2009 went even further by effectively doubling the benefits provided under the WITB.

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Today, this initiative is making a real difference in the lives of Canadians. It has lowered the welfare wall so that low-income individuals now keep more of their earnings. In 2013, over \$1.1 billion in WITB benefits were provided to individuals and families alone. Up to 1.5 million working individuals and families receive assistance through the WITB.

• (1520)

Recognizing that families are the cornerstone of our society, economic action plan 2011 took action to further reduce the tax burden on hard-working Canadian families. In doing so, we recognized that some families need additional support. For example, many Canadians have assumed added responsibilities by caring for infirm parents or other family members. Our government felt it was important to assist these family caregivers who make special sacrifices, often leaving the workforce temporarily and foregoing employment income.

In support of these families who care for infirm dependents, economic action plan 2011 introduced the family caregiver tax credit, which came into effect in 2012. This 15% non-refundable credit on an amount of \$2,058 in 2014 provides additional tax relief for caregivers of all types of infirm dependent family members, including for first-time spouses, common-law partners, and minor children.

To further help caregivers, economic action plan 2011 removed the \$10,000 limit on the amount of eligible expenses a taxpayer can claim under the medical expense tax credit for a financially dependent relative.

Our government also recognizes that persons with disabilities specifically need assistance as well. Our support for them has been targeted and effective. This is evident through such programs as the enabling accessibility fund, which has funded over 13,000 community-based projects across Canada, totalling over \$89 million.

Even as recently as the measures in economic action plan 2014, our government has proposed to connect persons with disabilities with jobs by providing \$15 million over three years to the ready, willing and able initiative of the Canadian Association for Community Living as well as \$11.4 million over four years to support the expansion of vocational training programs for persons with autism spectrum disorder.

That is not all. We also established the highly praised registered disability savings plan, or RDSP, based on the recommendations of the 2006 expert panel on financial security for children with severe disabilities. The RDSP is designed to help individuals with severe disabilities and their families save for their long-term financial security. Since its implementation in 2008, our government has made a number of improvements to the program. For example, to make sure that RDSP beneficiaries with a shortened life expectancy could access their savings, economic action plan 2011 provided them with more flexibility to withdraw their RDSP assets without requiring the repayment of Canada disability savings grants and Canada disability savings bonds.

In 2011, our government launched a review of the RDSP program to ensure that RDSPs were meeting the needs of Canadians with severe disabilities and their families. Based on the feedback received

during the review, economic action plan 2011 announced a number of measures to improve the RDSP. These measures provide greater access to RDSP savings for small withdrawals, give greater flexibility to make withdrawals from certain RDSPs, ensure that RDSP assets are used to support the beneficiary during his or her lifetime, enhance flexibility for parents who save in registered education savings plans for children with disabilities, introduce greater continuity for beneficiaries who cease to qualify for the disability tax credit under certain circumstances, and improve administration of the RDSP for financial institutions and beneficiaries.

Since becoming available in 2008, more than 81,000 RDSPs have been opened. Thanks to measures like the RDSP, our government is making sure that Canadians with disabilities get the support they need. A lot of credit should go to the late hon. Jim Flaherty, who championed this program.

Let me now say a few more words about the government's tax reductions for seniors and pensioners. Once again, on this subject I have plenty of material to draw from.

Since 2006, our government has increased the age credit amount by \$1,000 in 2006 and by another \$1,000 in 2009. We have doubled the maximum amount of income eligible for the pension income credit to \$2,000.

• (1525)

We have introduced pension income splitting for seniors and increased the age limit for maturing pensions and RRSPs to 71 years of age from 69 years of age, and much more. As a result of these actions, seniors and pensioners are receiving about \$2.8 billion in additional annual tax relief. Overall, actions taken by this government have substantially increased the income seniors can earn before they are required to pay income tax. In 2014, a single senior can earn at least \$20,050, and a senior couple at least \$40,108, before paying any federal income tax at all.

Seniors and those who support them may also take advantage of tax credits, such as the disability tax credit, the medical expense tax credit, and the caregiver credit as well as the family caregiver tax credit, which, as I mentioned, was introduced in economic action plan 2011 and came into effect in 2012.

In the same year, our government enhanced the guaranteed income supplement, the GIS, for those seniors who rely almost exclusively on their old age security and the GIS and may therefore be at risk of experiencing financial difficulties. The measure provided a new top-up benefit of up to \$600 annually for single seniors and \$840 for couples and is improving the financial security of more than 680,000 seniors across Canada. This increase in economic action plan 2014 was the largest increase for the lowest-income GIS recipients in a generation.

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That is not all. Our government, since 2006, has also lowered taxes in a number of other very important ways for families. It has increased the amount of income all Canadians can earn without paying federal income tax, increased the upper limit of the two lowest personal income tax brackets so that individuals can earn more income before being subject to higher tax rates, and reduced the lowest personal income tax rate to 15% from 16%.

Our Conservative government has been ambitious in our low-tax agenda. It is aimed at creating a tax system that fuels job creation and economic growth in the economy, and as I mentioned previously, it allows Canadians to keep more of their hard-earned money. Tax reductions have also given individuals and families the flexibility to make choices that are right for them. While the opposition members argue that we are only helping higher-income Canadians, this could not be further from the truth. Low- and middle-income Canadians are receiving proportionately greater relief. Benefits for low- and middle-income Canadians delivered through the personal income tax system, and support for families with children, have also been increased and enhanced under our government.

Finally, let me add that new measures we have introduced recognize that the health of the Canadian economy ultimately depends on providing opportunities for a high quality of life for all Canadians. That is why economic action plan 2014 would continue to implement the government's plan for jobs and economic growth. It would connect Canadians with available jobs and help them acquire the skills that will get them hired or get them better jobs in the marketplace; foster job creation, innovation, and trade by keeping taxes low; reduce the tax-compliance burden; continue to provide Canadian businesses and investors with the market access they need to succeed in the global economy; and support families and communities by taking additional steps to protect Canadian consumers, keep taxes low for families, and improve the safety of Canadians.

To conclude, keeping taxes low is an important element of our economic action plan. It helps Canadians succeed in the global economy through the creation of high-quality jobs and greater opportunities for success. Economic action plan 2014 is the next chapter in our government's long-term plan to strengthen the Canadian economy in an uncertain world and to create jobs and growth while keeping taxes low for families and businesses and balancing the budget in 2015. It is clearly working. It is accomplishing what it is intended to do, and by returning to balanced budgets in 2015, it bodes well for not only the current generation of Canadians but for future generations as well.

Taken together, the measures our government has introduced since 2006 and those in economic action plan 2014 will continue to keep taxes low and help Canadians succeed in the global economy, creating jobs, growth, and long-term prosperity for all Canadians.

• (1530)

A recent analysis by *The New York Times* and the Luxembourg Income Study suggests that Canada's median income households today are the richest of 20 peer countries, including, for the first time ever, the United States. It also shows that Canada's median income households saw increases of about 20% in their take-home incomes between 2000 and 2010.

Even the Parliamentary Budget Officer tells us that we have delivered \$30 billion in tax relief, which is benefiting low- and middle-income Canadians the most. Again, this is leaving more money in the pockets of hard-working Canadians, and in 2014, that saving is to the tune of nearly \$3,400 for an average Canadian family.

Our record on tax relief is strong, and the results are speaking volumes. However, we have been clear that once the budget is balanced, our government is committed to even further, even greater, tax relief for Canadian families.

I encourage the opposition, once and for all, to put aside its reckless high tax, tax-and-spend agenda and support our government's efforts to help all Canadians at all income levels.

[*Translation*]

**Mr. Raymond Côté (Beauport—Limoilou, NDP):** Mr. Speaker, I thank my colleague for his speech, even though it was just a long series of slogans. It did not contain any facts, except for when he was bragging about the supposed measures that would help the middle class.

Let us get down to business. The fact of the matter is that the middle class has been deeply in debt for many years. Under this government, household debt has increased and reached 165% of income. This is a very significant indicator of the poor financial health of Canadian households.

However, the government keeps pushing for tax cuts, especially for corporations, which cost the treasury tens of billions of dollars. It dramatically increased the amount of dead money in companies' coffers, which did absolutely nothing to stimulate the Canadian economy. On the contrary, incomes are still stagnating.

How can I make my colleague understand that he is on the wrong track? How can I make him realize how bad the situation is for the majority of Canadian households?

[*English*]

**Mr. Andrew Saxton:** Mr. Speaker, my hon. colleague talks about household debt, and yes, household debt is a concern. The majority of that debt is in mortgages. That is an investment that will be going up in value over the years. With low interest rates, Canadians are able to afford that.

We have also been cautioning Canadians that interest rates will eventually go up, and they should be prepared for that scenario. When it comes to the actual net worth of Canadian families, Statistics Canada found that the median net worth of Canadian families has actually risen by almost 45% since 2005. This is a significant improvement in the wealth of Canadian families, who are benefiting from the policies of our Conservative government.

The proof is in the numbers. We have lowered taxes over 160 times, and the average Canadian family will have \$3,400 more in its pockets this year than it would have had under the previous government.

• (1535)

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, one of the problems we have here is that members ask for more debate, but then they do not listen to the debate or they do not show up for the debate.

The member just gave a great speech about the totality of the taxation reductions the government has given. He used the number 160, which is the number I use, but I have just done a little more research, and it is actually 180 times our government has lowered taxes for Canadians.

This is just another opportunity to lower taxes for Canadians. We have done it for seniors. We have done it for families. We have done it for children. We have done it for students. I know that students in Canada can now earn just over \$20,000 without paying any federal tax. That takes individual policy changes. Here we are talking about yet one other opportunity to lower taxes for Canadians to continue our government's plan to improve the quality of life for Canadians.

I wonder if the member could mention one more time how much the average family in Cambridge and North Dumfries is saving as a result of this side of the House voting yes to tax cuts, but unfortunately, that side continuing to vote no.

**Mr. Andrew Saxton:** Mr. Speaker, my hon. colleague was absolutely correct. In fact, we have reduced taxes almost 180 times since this speech was written. This shows how quickly we are lowering taxes for all Canadians.

To answer his question specifically, we have lowered taxes. The average Canadian family will have \$3,400 more in their pockets at the end of 2014 as a result of our low-tax plan for Canadian families.

In addition, I should also point out that Canadian families at all income levels have seen increases of about 10% or more in their real after-tax, after-transfer income since 2006. It is the lowest-income families that have benefited the most, with a 14% increase in that period of time.

[*Translation*]

**Mr. Raymond Côté:** Mr. Speaker, I listened to what the Minister of State for the Federal Economic Development Agency for Southern Ontario had to say and the question he asked the Parliamentary Secretary to the Minister of Finance, and it was rather unbelievable.

It is all very well to list 180 tax measures, even though some are still very marginal, but this does not address the heart of the matter. The indicators are very clear and the situation has deteriorated rather quickly. There has also been a dramatic increase in income inequality, and it has happened much more quickly in Canada than in the United States, regardless of what the studies might suggest.

Let us be sure to put things in perspective properly because some studies—and I know which study the hon. member was talking about—can skew information. In the meantime, Statistics Canada

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has found that the middle class has been hard hit and the decline is far from slowing down. The foundation of our motion has to do with the growing income inequality. Income splitting will only help the rich because more than 90% of households will not benefit or will only slightly benefit from this measure.

Why is this government trying to do everything it can to help the wealthy?

[*English*]

**Mr. Andrew Saxton:** Mr. Speaker, the only income splitting the member opposite understands is the splitting of Canadians' hard-earned income from their pockets.

Our government believes that income splitting has been good for seniors and that it would be good for Canadian families as well. We have not balanced the books yet, but once we balance the budget, we will look at all ways of reducing the tax burden on Canadian families.

Under this Conservative government, Canadians in all income groups are better off. Middle incomes in Canada have surpassed those in the United States for the first time, putting Canadian median incomes near the top of global rankings.

Canadian families in all income groups have seen increases of about 10% or more in their real, take-home, after-tax pay since 2006, and the median net worth of Canadian families, as I mentioned, has increased by almost 45% since 2005.

Our low-tax plan for the economy and for jobs is working for Canadians.

• (1540)

**Hon. Ron Cannan (Kelowna—Lake Country, CPC):** Mr. Speaker, it is the home of some of the international award-winning wine, so I appreciate the opportunity to ask a question of my hon. colleague from British Columbia, from North Vancouver, another beautiful part of our province and our country.

I thank him for the great work he has been doing. I know he had worked closely with our former colleague, Minister Flaherty, who had a memorial service in the other House yesterday. I think about the great foundation he laid to help our seniors, low-income people, middle-income people, and persons with disabilities, as well as his passion for his registered disability savings plan.

I have been working on another issue for eight and a half years. I have been working on the trade committee, and we have this historic 21st century trade agreement that we signed with the European Union in the fall.

I wonder if my hon. colleague could share with the House some of the positive effects for low- and medium-income families and individual Canadians, as well as the economic opportunities for average Canadian families that this comprehensive economic trade agreement with the European Union will provide.

**Mr. Andrew Saxton:** Mr. Speaker, I thank my hon. colleague for the excellent question and for the excellent work he does on the trade committee.

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This trade agreement, the largest in Canadian history, will have a significant impact on our economy. In fact, we expect that over 80,000 jobs will be created as a result of this free trade agreement.

It means that Canada would be one of only a few countries in the world that would have free market access to both the United States and the European Union. That is over 800 million consumers that Canadians businesses would have access to on a free market basis.

We can imagine the number of jobs and the number of opportunities that would be created as a result of this groundbreaking free trade agreement. It brings over 20 countries from the European Union into a free trade agreement with Canada, and we look forward to signing that agreement and having it put in place.

[Translation]

**Ms. Hélène LeBlanc (LaSalle—Émard, NDP):** Mr. Speaker, as a woman and the chair of the Standing Committee on the Status of Women, I am pleased to rise in the House today to support this NDP motion decrying the increase in income inequality in Canada under successive Conservative and Liberal governments and stating the NDP's position on the Conservatives' income splitting proposal.

Pardon the pun, but there is a split between the perspectives of the Conservatives and the New Democrats. The Conservatives seem to want to return to the 1950s, as evidenced by the many retrograde initiatives they bring in. They are nostalgic for an era when the traditional family—as portrayed in the famous U.S. television series *Leave It To Beaver*—cast women in the role of housewife.

I was born in the 1950s, but I must admit that, as a woman, I am in not at all nostalgic for that period. Not only am I proud that, over the years, women have been liberated through numerous struggles, I am also proud of women's participation in the labour force, their financial autonomy, and their political and economic leadership.

However, we must not become complacent: although Canada ranked first in the area of gender equality according to the United Nations Human Development Report for the decade from 1990 to 2000, since 2001 Canada's ranking has plummeted to 20th and 31st, respectively.

How is it that a progressive and modern nation like Canada could become a global laughingstock in the area of gender equality? Successive austerity budgets, starting in the mid-1990s, and recent fiscal policies have only widened the gap between the rich and the poor and deepened economic disparities between men and women.

Even though about 70% of mothers with children under the age of five work, their employment rate is still far lower than that of fathers, according to Statistics Canada. In my opinion, it is our responsibility as parliamentarians to introduce policies to restore balance and establish working conditions that make it possible for parents—not only women—to balance work and family.

In Quebec, the child care program has led to the creation of good jobs, and a 9% rise in mothers' labour force participation. The program has also benefited the economy because every dollar invested has boosted the GDP by \$2.30, according to a study by the Université de Sherbrooke.

Since the Conservatives announced their intention to fulfill their pledge to institute income splitting, as a former coach of the Canadiens would say, a lot of ink has gone under the bridge.

I would like to quote a number of newspaper headlines. *Le Devoir* published two articles: "Income splitting: The wrong track" and "Federal taxation: Income splitting lines the pockets of the wealthy". *The Globe and Mail* ran an article with the following headline:

● (1545)

[English]

"Probing the pledge: The Tories' flawed tax break for families".

[Translation]

One recent report states:

[English]

"The Big Split: Income Splitting's Unequal Distribution of Benefits Across Canada". From the Progressive Economics Forum, we have "Income Splitting: A Bad Idea Returns". Then there is "Income Inequalities in Canada: Fiscal and Gender Dimensions", a briefing paper to the finance committee, and "Income Splitting in Canada: Inequality by Design", from the Canadian Centre for Policy Alternatives.

[Translation]

Even the C.D. Howe Institute came out against this measure.

Barrie McKenna stated in *The Globe and Mail* that this measure was seriously flawed because it would mainly benefit the wealthy.

A recent Broadbent Institute study, based on Statistics Canada data, shows interesting regional disparities. In particular, the study shows that most of the couples who would benefit from this measure are in Alberta and Saskatchewan. If I may say so, that is fertile territory for the Conservatives. It comes as no surprise that these measures would be less beneficial to provinces like Prince Edward Island and Quebec.

The C.D. Howe Institute's comments on this are as follows:

[English]

The measure would:

...fail to achieve its particular notion of horizontal equity, likely by overtaxing dual-earner couples. It would also distribute gains disproportionately to a small share of all households (mostly at the highest incomes), fail to assist families that most need help..., and create new distortions to work incentives.

[Translation]

I must pause to announce some good news, which is that I will share my time with the hon. member for Trois-Rivières.

I will continue with quotes that denounce income splitting. Economist Erin Weir pointed out the significant impact that this measure would have on the federal government's revenues:

[English]

Another aspect of the proposal that should be questioned is its likely impact on provincial governments, whose taxes generally apply to income as defined by federal tax rules. If it would reduce annual federal revenues by \$2.5 billion, it could also reduce combined provincial revenues by about a billion dollars.

Mr. Weir then continued by asking:

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The Conservatives have promised to wait until the federal budget is balanced. Would they also wait until provincial budgets are balanced?

[Translation]

It seems to us that these revenues could be judiciously used to promote increased labour market participation by parents and greater recognition of work that is currently unpaid.

These revenues could also be used to reduce the gap between the rich and poor, a gap that is growing very rapidly in Canada, where 86 Canadians have the wealth of the 11.4 million poorest Canadians and where 14% of the country's total revenues go into the pockets of the richest 1%.

The Conference Board of Canada stated:

• (1550)

[English]

Do government taxes and transfers help to reduce inequality?

Yes. Personal income taxes and government transfers (such as social assistance, employment insurance, child benefits, and old age security) have helped to reduce income inequality.

[Translation]

No one can say that the Conference Board of Canada is leftist.

To conclude, the federal government has the means at its disposal to reduce inequalities and propose measures that will benefit all taxpayers, not just a narrow group of Conservatives. We believe in a sustainable and equitable economy, which includes a fairer, simpler and more progressive tax system.

Canadians are social democrats. They recognize the importance of the fair sharing of wealth, the value of work and fair compensation.

They recognize the importance of creating a climate conducive to full employment for everyone. They also want to be able to look after their families and loved ones, whether as parents or caregivers. It is therefore the moral responsibility of the government of a prosperous country such as Canada to foster a climate that will help our country become a country without inequalities, a country where prosperity will be accessible to all.

[English]

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, if I may offer a very sincere compliment, I find it hard to believe the member was around in the 1950s.

The NDP seems to have taken on this charge about the Conservatives wanting to return to the 1950s as if it is some kind of a bad thing.

Currently, under various policies by this government, we have some of the lowest federal corporate tax rates in the G20. We have the first entirely tariff-free zone for manufacturers. We see less children in poverty. We see less seniors paying any federal tax whatsoever. Right now, I think it is fair to say that we have the best, most fertile economic landscape in our country for business growth since the 1950s.

What we would not disagree with is that, of course, we would like to see taxation on Canadians all across the country as low, if not lower, than it was in the 1950s. If we want to go back to the 1950s,

let us lower our tax rates to meet that criteria. This is one piece in the puzzle in doing that.

Why can the NDP not vote yes to at least one lowering-tax initiative by the Conservative government?

[Translation]

**Ms. Hélène LeBlanc:** Mr. Speaker, I think the double taxation in the 1950s was probably higher.

He actually did not listen very carefully to my speech because, since the Conservatives and the Liberals came to power in the late 1990s, the gap between the rich and the poor has widened. We are talking here about poverty—there are more and more inequalities—and the government's role in sharing the wealth. In fact, the beauty of our federal system is the redistribution of wealth to reduce these gaps between the rich and the poor. I believe this government has completely abrogated its moral duty as a government to ensure that, regardless of where we live or the circumstances in which we were born, we have our fair share of that wealth.

• (1555)

[English]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the redistribution of wealth is a critical issue in all regions of our country. Income inequality frustrates a great number of people. We need to recognize that, yes, there is a role that Ottawa and our provinces have to play.

Earlier today, for example, I mentioned the 10 years in which the NDP was in government in British Columbia and the income inequality was a whole lot worse. British Columbia was number four, but it was driven to number 10 as being the worse province in Canada. I say that because it draws into the comparison that it is the political will of the leadership.

When we have individuals coming forward saying that they want to deal with income inequality, maybe one way we could do that is by ensuring we look at the shared responsibilities of taxation policies and so forth. Would the member want to provide some comment on how important it is that Ottawa work with different stakeholders, particularly the provinces, to ensure there is less income inequality in all regions of our country?

[Translation]

**Ms. Hélène LeBlanc:** Mr. Speaker, in a confederation, the federal government's role is to ensure that it meets with the provinces. I would even take it further than that. Cities are increasingly being called upon to play a very important role, not just in the Canadian economy, but also in the fair distribution of wealth.

My colleague spoke about housing. The federal government and its partners need to find common solutions to the challenges Canada is facing. It needs to show some goodwill.

**Mr. Robert Aubin (Trois-Rivières, NDP):** Mr. Speaker, I think this is one of those rare opportunities when the House can take preventive action.

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Since I and many of my colleagues were elected, we have often stood up in the House to criticize bills that have been introduced. However, today's motion has come at a time when we are expecting a balanced budget to be announced in 2015. We know that our budget is nearly balanced right now. If we compare the provisions accumulated with the deficit announced, we are essentially breaking even.

For once, we have the opportunity to tell the government in advance that a policy it is trying to implement does not make sense, even if the idea of it initially sounded good. For the benefit of those watching us a few hours or days later on CPAC or in the media, I want to quote the motion we are discussing today:

That, in the opinion of the House, the drastic increase in income inequality under recent Liberal and Conservative governments harms Canadian society; and that the House express its opposition to the Conservative income splitting proposal which will make this problem worse and provide no benefit to 86% of Canadians.

Everyone here seems to understand what income splitting for tax purposes means because we have been talking about this bill and thinking about this issue for weeks and months. However, for the average person in my riding and many others, who often struggles to do his or her own taxes, this notion might be somewhat abstract. I will therefore put my teacher's hat back on for a few minutes and try to give a simpler explanation of what income splitting is, so that everyone can follow the debate.

Income splitting is a very simple accounting procedure that would allow spouses to transfer up to \$50,000 between them for tax purposes. If this little shell game were adopted, one member of the couple would pay less taxes because he or she would be in a lower tax bracket.

What is the purpose of this? It is to reduce the amount of taxes a couple or family pays. On paper, there seems to be little to criticize about this measure, since this tax arrangement would benefit families. However, it would not benefit all families, and that is where things start to go wrong.

This is what I would refer to as one of the Conservatives' so-called good ideas. Why is that? This idea is a promise that the Conservatives made in 2011, but that has still not been implemented, as I was saying earlier. It seems it will be in the next budget bill.

Given how quick the government is to impose its ideology and force the House to quickly accept tax measures with little or no debate, the reason income splitting has not yet taken effect is probably that the Conservatives themselves are beginning to doubt that it is appropriate and effective and the Conservative caucus is far from unanimous on this issue.

Let us remember that the former finance minister—whose memory is honoured by many Canadians—had serious concerns about this proposal and suggested that members not support it.

Let us now think about who would benefit from this so-called good idea I was talking about. It would definitely not benefit all Canadians since its implementation would cost the federal government \$3 billion and the provinces nearly \$2 billion.

For years we have seen this government's incredible ability to offload expenditures onto the provinces in an attempt to help balance the budget. Once again, this so-called good idea does nothing for

Canadians and it will upset any balanced budgets on the provincial side of things. It is hard to imagine that that is a good idea.

The question is very simple. How will the Minister of Finance come up with an additional \$3 billion? Will he take it from the employment insurance surplus or will he make more cuts to public services?

• (1600)

The question remains. We have already seen the damage this government's fiscal policy has caused. It would be quite sad to see the government make even more cuts to public services and misuse funds that have been earmarked for other purposes.

Who will benefit from this so-called good idea? Families, perhaps? Not even. Families with the greatest need are probably not the ones who will get the money. According to some reports, nearly 90% of families with children under 18 will not benefit significantly from income splitting. None of them. That is basically what that is saying. It means that this measure, while flashy and impressive, is missing the mark. It is counterproductive to make a law or policy that misses the mark, especially a fiscal one. A 2011 report by the C.D. Howe Institute, which is not known for being particularly leftist, made the exact same observations.

Could this measure help or benefit women? We in the NDP often analyze a legal or a budget provision through that prism, the prism of gender equality. With this income splitting measure, will women be able to move closer to pay equality? Well, no, it does not seem that the measure has hit the jackpot in that category either. Income splitting will also have undesirable consequences by discouraging women from entering, returning to, or even remaining in the labour force. The Conservatives' proposal will result in a major increase in the effective marginal tax rate for the spouse generating the lower income.

The measure therefore will not benefit women and it will not benefit Canadians. We wonder whether perhaps it will benefit the regions. We recall the Conservatives' wonderful slogan, "Our region in power". Do we have a measure that meets the needs of the regions? No, we do not. Mission unaccomplished, yet again.

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The ink is hardly dry on a report from the Broadbent Institute that sheds some very interesting light on the matter. I would describe that light as having more to do with partisan politics than with the economy and taxes. The report points out that this proposed measure would do much less for some provinces and somewhat less for others. I will let my colleagues guess the picture it paints, but for the benefit of those who are watching, I will say that among families with children under 18 years of age at home—the Conservatives' main target group, by the way—those living in Alberta would benefit most from income splitting. What a coincidence. They would save an average of \$1,359 in taxes, while those in Saskatchewan would save about \$1,070. As we all know full well, there are 42 federal constituencies in those two provinces and they elected 40 Conservative members in 2011. Again, just a coincidence.

In the face of the Conservatives' so-called good ideas about taxes, the proper instinct is always to ask who benefits. As it turns out, it is Conservative Party voters once again. At the other end of the scale, families in Prince Edward Island and Quebec will save very little, if anything at all. In those provinces, as we know, nary a Conservative is to be seen.

We have a government that was elected with a minority of 39% of the votes and puts forward ideas for another minority of the population. We really are light years away from a government that governs for all Canadians.

Who will benefit from this measure? The only answer, which I do not have the time to expand upon, is families that are already rich and do not need this incentive.

To conclude, this measure is a so-called good idea from the Conservatives, as I said, and we hope that it will be quickly abandoned. It is unfair, in the truest sense of the word, because it increases the inequalities between Canadians. It would not be the first time, because the policies of Conservative and Liberal governments have already helped increase income inequality. In fact, in the past 35 years, 94% of the increase in income inequality occurred under Liberal and Conservative governments. Please, let us not add to it.

In addition, there have been billions of dollars in Liberal and Conservative cuts to social transfers, which have made things worse by reducing low-income Canadians' access to social programs.

• (1605)

Instead of this so-called good idea, the NDP is proposing thoughtful solutions to give Canadian families a break. In 2015, Canadians across the country will have the choice to vote for a government that offers them a vision where no one is left behind.

[English]

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, some Canadians actually call surpluses that a government has “overtaxation”. I am not sure there is a difference. However, we have said that, once we reach balance and start looking at possible surpluses, we will look for ways to give that money back to the very folks it belongs to. This is just another of some of the 181 ways, I guess we could say, that the Conservative government has found to

reduce the tax burden on seniors, farmers, students, single parents, couples, and the list goes on.

My question for the member is this. Of the 181 times we have recommended lowering taxes to one sector or another—in this case income splitting for couples—could he name just one that his New Democratic Party supported for lowering taxes on Canadians? I would be happy with one.

[Translation]

**Mr. Robert Aubin:** Mr. Speaker, it is music to my ears to hear my colleague opposite say that once the budget is balanced, they will give the money back to the people it belongs to. Am I to understand that the Conservative government is finally telling us that it will stop dipping into the employment insurance fund to reduce its deficit and pay for the initiatives it wants to put forward and, as of next year, the employment insurance contributions of employers and workers will be used for workers who have lost their job and those people they are directly intended for?

• (1610)

[English]

**Hon. Gary Goodyear:** Mr. Speaker, I apologize, but I am sure that my hon. colleague did not mean to mislead the House when he referred to this government taking money out of the EI fund. That was the Liberals. I am certain he would like to apologize for misleading the—

**The Deputy Speaker:** Order, please. I think the hon. minister of state has been here long enough to know how controversial that issue is and the various viewpoints on it. That issue clearly is one of debate, not of fact.

Questions and comments. The hon. member for Winnipeg North.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I take some exception to the member's concluding remarks in terms of accuracy. He needs to realize, as I am sure he does, that the New Democrats have never been in government here in Ottawa, so all we can do is judge their performance based on what they have done at the provincial level.

He says the NDP has good solutions. I wonder if he can tell me whether it was good policy when Gary Doer and then Greg Selinger, as premiers of Manitoba, reduced corporate income tax and then boasted about reducing it not once but seven times, especially when it was during the recession. That is one question.

The second question is this. The NDP in the Province of Manitoba has now increased the provincial sales tax. This is something his own leader has said he fully endorses and has Mr. Selinger's back on, in terms of the types of policies in which he believes.

Are we to draw the conclusion that this is the type of government we would see for all Canadians if the NDP were provided that opportunity?

[Translation]

**Mr. Robert Aubin:** Mr. Speaker, I was elected in the riding of Trois-Rivières to work as a federal politician, so I feel perfectly comfortable answering questions about federal matters and letting provincial politicians handle their own affairs.

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However, what I do know is that in 2015, the Liberals and the Conservatives will have the opportunity to see and hear what the public has to say as it chooses to direct Canada toward a more inclusive vision, where no one is left behind. Only one party is making clear proposals of that sort, and that is the New Democratic Party, which I am pleased to represent in one riding, just like many of my colleagues. I predict, beyond a shadow of a doubt, that there will be even more of us in 2015.

[English]

**Ms. Chrystia Freeland (Toronto Centre, Lib.):** Mr. Speaker, I would like to start by saying that I will be splitting my time with my colleague, the member for Bourassa.

It is a real honour and a pleasure to be talking about this subject here in this House today. Rising income inequality is one of the most striking and most important new characteristics of the 21st century economy. It is a way the world economy and, particularly, the economies of the western industrialized countries have changed.

For all of us here in this House grappling with that transformation, it should be our absolute priority to understand it and work on ways to make this new economy work for all Canadians.

I would like to start with some data points. According to the IMF, since 1980, the richest 1% increased their share of income in 24 out of 26 countries. That is a really significant data point, because very often debates about income inequality happen in a national context, as our debate is happening here, and we lose sight of the fact that this particular story is a global story.

Of course there are national aspects, but overall the shape of what is happening is something that is happening particularly across the western industrialized countries. We must understand that in order to really understand what is going on.

This is happening in Canada as well. In 1980, the top 1% collected \$8 out of every \$100 earned in Canada. By 2010, that had surged 50% to \$12 out of every \$100. In the meantime, middle-class incomes in this country have been stagnating.

In 1980, middle-class families reported income of \$57,000, and 30 years later they were still at \$57,000. This growing income divide—and as I said, an income divide that we are seeing growing across the western industrialized countries—is also translating into a growing wealth gap.

I would like to cite one figure. This is based on some very important research that Oxfam has done, which is really important and something for us to all focus on. Oxfam calculated that if we took the richest 85 people in the world, their wealth is equal to the wealth of the bottom 50% of the whole world, 35 billion people. That is just 85 people, which is a lot fewer than it would take to fill this House. It would fill maybe a quarter of my side of the House. Let us think for one moment about what that says about our world today and about how the world economy is working.

It is important when we are talking about this, and particularly when our conversation moves to talking about political solutions, to really reflect on and acknowledge the fact that this is a new phenomenon. The world economy today is working differently from

the way it did, particularly in the post-war era, when I think many of our conceptions of how the world economy works, and certainly many of our political ideas, were formed.

In the post-war era, we had a Goldilocks economy. It was a time when there was very strong economic growth across the western industrialized world, and at the same time income inequality was actually decreasing.

Starting about 30 years ago, that changed. Even as the economy grew, we started to see income inequality surging: a growing share of the income going to the very top and incomes in the middle either stagnating or actually declining, depending on which measure and which timeframe.

There is a lot of debate about what is driving this phenomenon. Inevitably that debate becomes politically tinged. All of us who approach honestly what is happening will have to agree that there are three primary drivers. One of them is in fact political.

The 30 years in which we have seen this surging income inequality across the west also coincided with the rise of neo-liberalism, what we might want to call the Thatcher-Reagan revolution. We saw a combination of weaker protections for trade unions, a culture that accepted higher compensation, particularly for executives—higher CEO compensation—a new philosophy of shareholder value in companies, lower taxes at the top, and crucially, deregulation of many industries.

• (1615)

Therefore there was this political element, and again that political element had national features, of course, but it was also something that happened across countries, particularly because we are living in an age when so many businesses operate internationally and there has been, in many cases, particularly on the taxation front, competition across jurisdictions.

However, there are also two other factors that are really important drivers of what is going on, and those are globalization and the technology revolution. For me, those two factors are the ones on which it is really important to focus; and it is important for all of us, particularly those who see rising income inequality as a huge problem, to acknowledge that these two drivers of rising income inequality are also very positive. That is the paradoxical nature of what is going on.

The technology revolution, bringing us so many pluses, is also a driver of increasing income inequality. The same is true of globalization. If we are blind to that paradoxical nature of what is happening, we are not going to be able to come up with good solutions. Particularly when it comes to the technology revolution, it is important for us to understand something. I will refer to one of my favourite books on the subject, *The Second Machine Age* by Erik Brynjolfsson and Andrew McAfee. They argue that there is no law in economics that provides that the technology revolution will lead to more jobs or evenly distributed rewards. That is really important to bear in mind. Changes in the economy, which are good in aggregate, may not be good for individuals, and it is going to be our job as legislators to find ways to strike that balance.

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What can we do about this? I have talked about something that is big, that is new, and that is global. How can we cope with it? I would like to quickly talk about five ways in which we can approach it. The first is to do no harm, and that is why we in the Liberal Party are absolutely opposed to income splitting. At a time when there are powerful economic forces, many of them good, which are driving up income inequality, introducing changes to our own legislation, rather than pushing back against them, and increasing income inequality is absolute political and democratic malpractice.

The second absolutely important thing is to focus on equality of opportunity. A terrific Canadian economist, Miles Corak, has identified something that has been dubbed by his admirers *The Great Gatsby* curve, which shows that rising income inequality correlates with declining social mobility. We have to push back against that, particularly with investment in schools, families, and early childhood education.

A third area that is absolutely essential is to be open to innovation, particularly innovation for people who might not have the opportunities and networks. One thing we are seeing is that old businesses are dying. That is part of the technology revolution and of globalization. We have to be the country where it is easiest for someone with a great idea to start a new business.

Finally, and this is really crucial, we have to understand that we operate in a globally connected economy. We are living at a time when capital is global, but politics and legislation very often are not. If we want to capture the wealth that is being accumulated in the world, we are going to have to come up with some global answers. I am going to quote Larry Summers, the former U.S. secretary of the treasury, and then Pope Francis. Larry Summers stated:

The share of corporate profits taken by tax authorities around the world is probably a little more than half of what it was 40 years ago. And the reason is a basic process of competition, a basic ability to move business activity or to use accounting tricks to move income to low-tax jurisdictions.

Therefore, we are going to have to work together to push against that trend.

• (1620)

In conclusion, I would like to cite a higher authority on why this is so much of an issue and that is, as threatened, Pope Francis himself. He has said that increasing income inequality is the root of social evil. I really believe that. I hope that together in the House we can identify this as a major problem and work together to try to fix it for Canadians.

[Translation]

**Mrs. Djaouida Sellah (Saint-Bruno—Saint-Hubert, NDP):** Mr. Speaker, I listened carefully to my Liberal colleague's speech. If I heard her correctly, the member said that the Liberals were against income splitting. However, her leader agrees with the Conservatives that income splitting is a reasonable idea.

Does the member disagree with her leader or is she against income splitting?

[English]

**Ms. Chrystia Freeland:** Mr. Speaker, I did not misspeak. It is the position of our party that we believe, like the late minister Jim

Flaherty, that income splitting would increase income inequality and we are not in favour of it.

**Hon. Scott Brison (Kings—Hants, Lib.):** Mr. Speaker, I thank my hon. colleague from Toronto Centre for bringing a level of decorum and expertise to the House in terms of her discourse today and her global understanding of this important issue.

Some Nordic countries, for example, have balanced robust economies, growth, and competitiveness without the commensurate growth in income inequality. I would appreciate the member's thoughts on, understanding of, and expertise in how they have done that. What combination of social policy and fiscal policy has enabled them to balance social equity and economic growth?

• (1625)

**Ms. Chrystia Freeland:** Mr. Speaker, absolutely, I think the Nordic countries provide some very important examples and lessons for us. Interestingly, if we look at market incomes before government intervention, they too have experienced an increase in income inequality among those countries, as my hon. colleague knows very well, and the IMF has cited in its research.

What they have done though to push against those tides is a few things. They have had a very great focus on social opportunity, particularly on education, and I think Finland in particular has some important lessons. They have had a very great focus on innovation and opportunity for economic innovation. There I would say we have a lot to learn from Sweden and maybe from Norway.

**Hon. Ron Cannan (Kelowna—Lake Country, CPC):** Mr. Speaker, the member mentioned she was opposed to income splitting. With regard to families, I have a question with regard to policies this government implemented for income splitting for seniors. Does she believe that is a good policy and if she does not, would the Liberals actually reverse that policy if they formed government?

**Ms. Chrystia Freeland:** Mr. Speaker, today what we are talking about is future policies. As we have discussed, and we have heard some very good data cited today, income splitting has been supported and advocated by the Prime Minister, although it was opposed by the late minister of finance, Jim Flaherty. It is something that we oppose precisely because we believe, as the C.D. Howe Institute has argued, as most reputable economists have argued, that it would increase income inequality.

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Mr. Speaker, to the member for Toronto Centre, I appreciate her speech. In fact, her speech is very much like something I would expect to hear from the NDP because that is the position we have taken.

To hear her agree with Jim Flaherty over the musings of her own leader is kind of surprising to me. I agreed with a major part of her speech. She spoke of the period between 1980 and 2010, about the average wage and the lack of buying power of the dollar, and the fact that a dollar today buys the same as it did in 1980. As her speech went on and again, it sounded more like the NDP than Liberal to me, because in that time where there was no growth, from 1993 to 2006, who was in power?

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**Ms. Chrystia Freeland:** Mr. Speaker, I think there is no dishonour in agreeing, sometimes, with my hon. colleagues in the NDP or in citing someone I think we all respected very much, the late Jim Flaherty.

As I tried to argue in my comments, this is a phenomenon that has been going on for 30 years. The IMF found income inequality increasing over 30 years in 24 of 26 countries it studied. Of course, it is our job to try to pinpoint specific moments of legislation, but this is a global trend. We have to, if we are being honest, see it that way, try to understand it that way, and try to figure out what to do about it.

[*Translation*]

**Mr. Emmanuel Dubourg (Bourassa, Lib.):** Mr. Speaker, it is my turn to take part in this debate. First, I will read the motion:

That, in the opinion of the House, the drastic increase in income inequality under recent Liberal and Conservative governments harms Canadian society; and that the House express its opposition to the Conservative income splitting proposal which will make this problem worse and provide no benefit to 86% of Canadians.

I will not get into how the NDP wrote this motion because, as usual, it is off the mark. The Liberals want to help the middle class so that it can have a better future. Income splitting is at the very heart of this motion. It is important to know how to draft a motion and set partisanship aside when the measure is this important.

The increase in income inequality is a significant source of concern in almost all developed countries, and governments of all stripes, including provincial New Democrat governments, need to do more to fight it. The Liberals are against income splitting as proposed by the Conservatives.

In their 2011 election platform, the Conservatives promised to implement income splitting, but that promise was conditional on the government being able to balance the budget in 2015.

The Conservatives are getting ready to do that in 2015, since that will be an election year, but it will be the first time, given that they squandered the surplus that we Liberals had left when they came to power.

Their proposal is clear: allow couples with children under 18 to split their income, up to \$50,000, for income tax purposes. According to their platform, that measure would cost the public purse \$2.5 billion, at the federal level alone, not to mention what it would cost the provincial governments, if they go along with it.

How does income splitting work? I will explain, for the people of Bourassa, why we are debating this today, so they understand the meaning of income splitting.

It is simple. Take the example of two spouses who earn \$100,000 and \$20,000 per year. Together, they pay \$15,993 in federal income tax. By splitting their income, that is, transferring up to \$50,000 from one spouse to the other, so they declare \$60,000 each, they will save \$1,807. However, this does not provide any benefit for a couple in Bourassa, for example, who together earn \$50,000.

The Conservatives have taken the idea of income splitting even further. In fact, in the budget they presented, they gave the example of a couple with two children: Bernard and Laurence, who earn \$48,000 and \$72,000 respectively. Even with those incomes, that couple will get no benefit from income splitting, however.

It is therefore clear that they want to implement income splitting in order to help the wealthiest Canadians.

• (1630)

That is the Conservatives' approach. In fact, there is a very clear example that tells us that if, in a family, one spouse earns \$327,000 or more, the equivalent of the Prime Minister's salary, and the other earns only \$3,000 or does not work, that couple will get \$6,500 per year with income splitting. There is the proof. It is clear.

During the election campaign, the Prime Minister had said that income splitting should be one of our main priorities. However, as we have now seen, income splitting does nothing to benefit the middle class.

In fact, the study by the Canadian Centre for Policy Alternatives confirms that when the budget is balanced, this promise will absolutely have the opposite effect: 10% of taxpayers will cash in and 50% of the poorest Canadians will get virtually no benefit. According to that study, families with income of \$50,000 or less will save only \$50. There is the proof.

As well, the C.D. Howe Institute and the Canadian Centre for Policy Alternatives report that some 85% of households will not benefit from this measure at all. According to *La Presse*, since this measure is aimed only at the wealthiest Canadians with children under 18, that means there are a lot of people who will not benefit from income splitting. They include single people, couples without children and single-parent families. There is nothing for families with adult children, even if they live with the parents. There is nothing for families in which both children earn relatively similar incomes, which is most often the case in Quebec. Lastly, there is nothing for parents who earn less than \$42,000 per year.

In Canada, the middle class has not had any real wage increase in over 30 years, in spite of the fact that the economy has more than doubled in size.

To summarize, with this measure, the rich will get richer and the poor will get poorer. There is nothing for single people or single-parent families. In a word, there is nothing for the middle class.

It must be said that this measure also affects women to a certain extent, because all too often women have lower incomes in couples. That is what a study by the Research Chair in Taxation and Public Finance at the Université de Sherbrooke tells us. The labour force participation rate of women with children is higher in Quebec, at about 82%, compared to 78% for all of Canada. The income gap between men and women is not as wide in Quebec as it is in other provinces like Alberta, where men make on average twice as much as women.

To conclude, it is quite natural for this measure to be controversial, even among the Conservatives.

I would like to quote the late Jim Flaherty:

It benefits some parts of the Canadian population a lot. And other parts of the Canadian population virtually not at all. And I like to think I'm analytical as finance minister, so I will, when we discuss it eventually in cabinet, in caucus, I will present my analysis to my colleagues.

Unfortunately, I feel that he is one of the only people who could have talked some sense into the Conservatives. We, on this side of the House, are against this measure, because we want it to support the middle class instead of giving the equivalent of \$5 billion to the wealthiest Canadians.

• (1635)

**Mr. Robert Aubin (Trois-Rivières, NDP):** Mr. Speaker, I thank the member for Bourassa for his speech.

I have to say that I do not really understand why he thinks our motion was badly written because his entire argument sounds a whole lot like ours and his conclusion is the same.

However, I have one burning question. Maybe we do not know how to write, but does his leader have some trouble saying what he means? I ask because it seems like the Liberals are staunchly opposed to this, but their leader said that income splitting is a good idea.

I am having a hard time squaring those two positions, unless of course there are divisions in the Liberal ranks. If that is the case, can the member clarify?

• (1640)

**Mr. Emmanuel Dubourg:** Mr. Speaker, as I said, we are against income splitting. This is such an important debate, that I do not understand why the NDP is bent on creating division. I said that the wording of the motion was fine because it says that the drastic increase in income inequality under recent Liberal and Conservative government harms Canadian society. Income splitting, as presented, is not good. In other provinces, people know the NDP's position. They know that the NDP is part of that inequality. That is not the issue.

A motion has been moved, and we really hope that the Conservatives will listen to reason and not go ahead with this measure. I hope they will understand.

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, I want to go back to the question by my NDP colleague, the member for Trois-Rivières.

I am astounded that, in light of the Liberals' support for this motion, the NDP is unable to accept the fact that we too are against income splitting. We made that very clear, and I have no idea how they came up with their take on our leader's position on this issue. The fact is that we are against income splitting, as was the late Mr. Flaherty. We have said so clearly from the start, but unfortunately the NDP does not seem to understand what should be a pretty simple idea.

Can my colleague from Bourassa explain why the NDP is unable to accept a "yes"?

**Mr. Emmanuel Dubourg:** Mr. Speaker, I thank my colleague for his remarks.

As I said, the NDP wants to deal with the Liberals. It is looking at what we are doing. For us, the goal is clear and that is to work for the

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middle class. I do not want to waste my time analyzing the NDP's position because it is nonsense.

The motion was moved and we very much hope that the Conservative government will reconsider, just as the late Jim Flaherty wanted to in caucus. Unfortunately, we know what happened. All members of Parliament are mourning the passing of Mr. Flaherty.

The question is simple. Let us reject this income splitting approach because it does nothing to help the middle class. Instead, the most affluent Canadians will get richer.

**Ms. Annick Papillon (Québec, NDP):** Mr. Speaker, my question will take less than 10 seconds. It is simple and I would ask my colleague to be just as straightforward and clear in his answer.

How can he talk about income splitting and being concerned about the less fortunate when he accepted compensation upon leaving his seat at the National Assembly after holding it for such a short time? I find it rather odd that he is talking to us about this issue in the House today. I would like to know what he has to say about that.

**Mr. Emmanuel Dubourg:** Mr. Speaker, I will be clear and straightforward, like the question that was put to me.

Perhaps the member could ask her leader why he accepted his bonus when he left the National Assembly of Quebec. Why would I not be entitled to it after sitting as a member of the National Assembly of Quebec for six years?

• (1645)

[*English*]

**Mr. Ryan Cleary (St. John's South—Mount Pearl, NDP):** Mr. Speaker, I will be sharing my time with the hon. member for Parkdale—High Park.

I stand in support of the motion by the hon. member for Skeena—Bulkley Valley, which states:

That, in the opinion of the House, the drastic increase in income inequality under recent Liberal and Conservative governments harms Canadian society; and that the House express its opposition to the Conservative income splitting proposal which will make this problem worse and provide no benefit to 86% of Canadians.

Income splitting would have no benefit for 86% of Canadians, but it would be a benefit to 14% of Canadians. What 14% of the Canadian population would that be? It would be the wealthiest, the best off, those in the highest income level. Members probably already knew that, because income splitting is a plan pitched by the Prime Minister and the Conservatives, and the Conservative Party is all about big business, big money and big tax breaks for the wealthy. There is a big gap between the have and the have-not, a gap that is growing.

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I will stop right there and shift gears. Let me talk about the 86% of the population that would not benefit from income splitting in my riding of St. John's South—Mount Pearl, in Newfoundland and Labrador. They are everyday Newfoundlanders and Labradorians. They are policemen, firefighters, teachers, nurses, government workers, waiters, fishermen, small business owners, single moms, single dads, construction workers, hairdressers, and so on. Members get the picture. Most ordinary people would not benefit from income splitting. They are the people that the Conservative government has forgotten, or left further and further behind or has no interest in helping.

That does not go for all levels of government. There is hope out there. Take St. John's city council, for example. It is going where the Conservative government refuses to tread.

While the Conservative government will not have anything to do with the national housing strategy and voted against a New Democrat proposal for just that and the Liberals, under Paul Martin, killed their national housing strategy, the city council in St. John's adopted an affordable housing plan this week that promises 500 homes by 2017.

The plan targets rental housing, home ownership, energy efficiency and age-friendly homes. The plan is about affordability for “the people in the middle”, as one councillor put it. Again, they are the people, the Canadians, that the Conservative government has forgotten. They are the people in the middle. Well done, St. John's city council. It is so fabulous. It is so inspiring to see a level of government picking up where the Conservatives so desperately fail.

Who exactly is left completely left out of the Conservatives' income splitting plan? People making under \$44,000 a year would receive no benefit. A couple that makes above \$44,000 a year but where both people are in the same tax bracket would receive no benefit. Single people, couples with children and couples with kids who are grown up would receive no benefit. Parents who are divorced would receive no benefit.

Someone must benefit. Income splitting would cost the federal government \$3 billion a year. That figure is from the Canadian Centre for Policy Alternatives. Who exactly would benefit from that \$3 billion? It is none other than the best friends of the Conservatives. It is the wealthy.

Income inequality in our country is spiralling out of control. The incomes of the top 1% are surging, while the average Canadian family has seen its income free fall over the last 35 years. About 94% of the increases in the inequality over the last 35 years occurred under federal Liberal governments.

The latest Liberal leader paints himself as a champion of the middle class. He infers it in half of the questions he asks in the House during question period. We heard it today during question period.

● (1650)

However, the current Liberal leader cannot relate to the middle class, because he had nothing to do with the middle class. He could no more relate to the middle class than the Prime Minister could relate to a fisherman on the northeast coast of Newfoundland, or a housekeeper at the Delta Hotel in St. John's, or a farmer in the

Goulds, or a waitress in Quidi Vitty, or a fisherman in Petty Harbour, or a street cleaner in Mount Pearl. The Prime Minister cannot relate to those people, keeping in mind that he has turned his back on Newfoundland and Labrador.

Income splitting will cost the Canadian treasury \$3 billion, which will stay in the pockets of the wealthiest. At the same time, we are asking middle- and lower-income earners to pay more than their share. The Conservative government has done nothing to address or reduce growing inequality.

This country is desperate for affordable child care, like the seven-dollar-a-day Quebec model. This country is crying out for pharmacare so that people do not have to make a desperate choice between food and medication.

This country has been shamed by how our government treats the veterans who fought for us, while the Conservative government refuses to fight for them. Their services are reduced and mental health problems are ignored.

The current Conservative government is failing our seniors, who do not have enough money to live on. It is failing students who are entering the workforce with massive anchors of debt. It is failing fishermen. I cannot leave them out. They are being squeezed out of an industry by a government that favours big business licence holders. Fishermen have had to choose between not paying federal licence fees and not paying bank loans.

The current government is failing the middle class, yet it has the time to draw up tax schemes that only help the wealthiest 40% of Canadians. With so much to do, and I am not talking about pipelines, it is clear where the current Conservative government's priorities lie. Its priorities do not lie with ordinary people.

As the Canadian Centre for Policy Alternatives put it: “Income splitting creates a tax loophole big enough to drive a Rolls Royce through. It's pitched as a program for the middle class but in reality it's an expensive tax gift for the rich.”

The Broadbent Institute said, “It would increase inequality and is skewed heavily toward a Mad Men-style family with a high-income earner and a stay-at-home spouse.... Income splitting fails the fairness test.”

I will bring this back to the beginning. The motion reads: “That, in the opinion of the House, the drastic increase in income inequality under recent Liberal and Conservative governments harms Canadian society....”

The words that stick with me are “harms Canadian society”. I have a message for the Conservative government, and the message is this: seniors matter, veterans matter, workers matter, students matter, middle- and lower-income earners matter, the environment matters, our fishermen matter, the east coast matters, and the 86% of Canadians who do not benefit from income splitting also matter.

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It seems that the only ones who get support from the Conservative government are those who sign cheques payable to the Conservative Party of Canada. This country has to do better than that. This country must do better than that.

• (1655)

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, nearly 1.4 million fewer Canadians are living in poverty under the Conservative government now than under the previous Liberal government. Tax cuts overall mean that over one million low-income Canadians do not pay any federal income tax at all. In fact, the Parliamentary Budget Officer commented on the 180 different reductions in taxes we have made. The Parliamentary Budget Officer says: “Cumulative tax changes since 2005 have been progressive overall and most greatly impact low-middle income earners...”

Of the 180 reductions to various taxes the Conservative government has brought in, I wonder if the member would kindly name just one that he actually supported.

**Mr. Ryan Cleary:** Mr. Speaker, my immediate answer is that it is hard to tell what to support when the government throws so many omnibus budgets at us, with dozens and dozens of changes to laws. Half the time there are so many things in the omnibus budgets, one cannot tell what one is supporting and is not supporting. That is the problem with the government.

The minister just threw a whole bunch of numbers out there, but there are only two numbers Canadians need to keep in mind. First is that 86% of Canadians do not qualify for income splitting. Remember that number. Second, only 14% do. What 14% are they? They are the wealthiest people in Canada. We have 86% and 14%.

The other thing I want to point out is that the late Jim Flaherty also had his doubts about income splitting. If I have this correct, he spoke out against it before he, unfortunately, passed away. Maybe the Conservative government can learn from how Mr. Flaherty saw the light before he passed.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the Liberal Party has indicated that we will be supporting the motion. The members goes to great lengths to portray how bad the Liberals are, then he focuses his attention on the current federal leader of the Liberal Party. One begins to think that the NDP is very nervous about the Liberal Party. Viewers should be aware that this is just as much an attack on the Liberal Party as it is raising an issue on the floor of the House of Commons.

Citizens of Canada are aware of the inequalities and the need to address some of those inequalities. The leader of the Liberal Party has addressed that issue and will continue to push hard for the middle class.

I take exception when the member makes reference to the leader of the Liberal Party. I question whether he is attempting to pass judgment when he says that someone cannot identify with the middle class. In fact, what I have witnessed is that the leader of the Liberal Party, no matter where he goes in our great country of Canada, is well received and respected by many as someone who identifies with the middle class. There is not a politician in this chamber who has been fighting harder for the middle class than the leader of the Liberal Party. I wonder if he might want to comment.

**Mr. Ryan Cleary:** Mr. Speaker, what I simply pointed out in my speech was that the growing gap between the rich and poor, that ever increasing gap, began under consecutive Liberal governments. That is what I pointed out.

I think the hon. member asked whether I was concerned about the Liberals. The Liberals should be very concerned, especially with 2015 being an election year. They should be very concerned about the words that come out of their leader's mouth. He is not clear. He is all over the map. That is where their concerns should lie.

• (1700)

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Mr. Speaker, I am very happy to rise on behalf of my constituents in Parkdale—High Park in Toronto to speak to this important motion submitted to the House by my colleague from Skeena—Bulkley Valley. I will read the motion:

That, in the opinion of the House, the drastic increase in income inequality under recent Liberal and Conservative governments harms Canadian society; and that the House express its opposition to the Conservative income splitting proposal which will make this problem worse and provide no benefit to 86% of Canadians.

This is of great interest to my constituents in Parkdale—High Park, because we have a very diverse community in the city of Toronto. We have very low-income people in the community. We have tenants. We have homeowners. There are people with varying incomes, single families, and non-traditional families. There are people who work in a wide diversity of occupations.

I would ask Canadians, through the House, especially members of my community of Parkdale—High Park, this. If they were to ask their government to invest \$3 billion every single year on their behalf, how would they want it invested? They might ask for better housing. They might ask that every Canadian have a decent place to live. So many families would say to invest in a quality national child care system, like in most modern democracies around the world. Let us invest in our children first. Would that not be a wonderful thing for the majority of Canadian families to take advantage of?

We have a baby explosion in my riding. Urban legend says that my riding has one of the highest rates of newborns. I do not know if that is true, but there are a lot of young families. I hear from so many parents that if they can even find child care, it costs them practically a second mortgage to pay for that service, because it is so expensive for parents across the country, except in the province of Quebec. While it is not perfect, Quebec certainly has a far better, far more affordable, accessible child care system.

Many of our community members might ask why we do not fulfill the dream of that great social democrat, Tommy Douglas. Tommy Douglas brought us medicare, and Canadians who have to stay in a hospital in this country thank their lucky stars that they have our medicare system and that they do not have to mortgage their houses or go into deep debt to have a hospital stay.

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Tommy Douglas had a bigger vision. He wanted not only acute care covered through our medicare system but also a pharmacare system. He wanted us to be able to afford the medications we need when we need them and not have to go into debt or choose between paying the rent and paying for the drugs we need. He also envisioned a home care system so that people with disabilities and seniors could stay in their own homes and have the care they need. He envisioned long-term care so that if people had to go into long-term care, they would not have a situation, as we do in the province of Ontario, where time and time again there are scandals about some of the most vulnerable people in our society, our seniors, people with serious disabilities, being exploited and not getting the care they need in private home settings.

We might want to fulfill his dream of a dental care program so that every person in this country, every child, every senior, had access to good quality dental care.

These would be some of the wonderful ideas Canadians could suggest for investing \$3 billion a year.

• (1705)

Instead, the government would take \$3 billion a year of Canadians' hard-earned tax dollars, taxes that everyone pays, and spend it on the wealthiest 14% of Canadians. Even in that wealthiest 14% of Canadians, two-thirds of the wealthiest would get maybe \$500 a year, if they were lucky. They would get a little bit, but many of the people in the other third would get \$5,000 or more back from our tax dollars. This is taking from everybody, especially the middle class, and giving to the very richest. It is opposite of Robin Hood, and it is simply bad economic policy.

It is not just New Democrats who are saying it is bad economic policy. At the C.D. Howe Institute, the most credible economists in Canada today are speaking out against this measure. Even my hon. former colleague, former minister of finance Jim Flaherty, expressed his concern that this was not a good way to spend our tax dollars. I notice that even our colleagues in the Liberal Party have belatedly come on board and said they also do not think it is good policy. We are glad to see that change of heart on their behalf, because this plan leaves out nine out of 10 Canadian families. It is simply bad economic policy.

Let us take a look at who is completely left out. Anybody who makes less than \$44,000 a year is left out. If a couple make above that but are both in the same tax bracket, they are left out. Single people, couples with no kids, couples with kids who are over the age of 18, and people who are divorced are all left out.

I want to say too that this proposal, this Conservative plan, especially when combined with the completely and indefensibly inadequate child care system in this country, would also encourage many women to just stay home. I think that is why many of my Conservative colleagues are so in favour of it. They have heard from REAL Women, the social conservative women's organization, which has said that it likes this kind of tax policy because it encourages the traditional family.

I am a big fan of the TV show *Modern Family*, because when I go out in my community of Parkdale—High Park, it is more like *Modern Family*. However, this policy is more like *Leave it to Beaver*.

That might have been a swell period after the war, and I am sure some of my colleagues across the aisle have fond memories of it, but some equate it to the *Mad Men* era, and Don Draper would love this policy. Don Draper would be able to claim the full amount under this proposal. He would love this.

It is not proposing something that makes good use of our tax dollars or something that makes sense to the vast majority of Canadians and fits with the modern reality.

This motion also points to increased inequality in Canada. We saw it skyrocket in the 1990s under our colleagues, the Liberals, when they made the biggest social spending cuts in the history of our country and cut the national housing program, the national minimum wage, and, sadly, many other programs.

What New Democrats want is a fairer, shared prosperity for all Canadians. We want to improve services. We would put \$3 billion to work for the benefit of all Canadians. Whether living in my community or by the Humber River or in Parkdale or High Park or Roncesvalles, all families would benefit from those improved social services. They would not have to be Don Draper or the Cleaver family from the 1950s. We would enact modern policy to benefit all Canadians.

• (1710)

**Mrs. Kelly Block (Parliamentary Secretary to the Minister of Natural Resources, CPC):** Mr. Speaker, what that member forgets, and what I am sure she would like the House to forget and Canadians to forget, is that her party has voted against each and every one of our tax cuts. We have lowered taxes, as we have heard today, nearly 180 times since taking office, saving the average Canadian family nearly \$3,400 this year alone. Every time we propose new ways to save Canadians money, the opposition objects.

I want to ask the member this: why are you against saving Canadian families money?

**The Deputy Speaker:** I would remind the member to direct her questions and comments to the Chair, not to other members in the House.

The hon. member for Parkdale—High Park.

**Ms. Peggy Nash:** Mr. Speaker, through you, I would ask my colleague opposite why her party is opposed to logical social and economic policy. Why is it so proud of making cuts that economists across the country believe are bad economic policy?

There are some very good proposals for tax credits and tax cuts that would benefit Canadians. The eco-energy tax credit, which was first proposed by our former leader, Jack Layton, was a job creator, was good for the environment, and helped people improve their homes. The Conservatives, in a minority, did adopt that proposal from the NDP.

However, what has the current government done? It cut that proposal. That was a tax credit that actually made some sense, and the government wanted nothing to do with it.

**Ms. Joyce Murray (Vancouver Quadra, Lib.):** Mr. Speaker, I welcome this motion on income inequality, a topic that our finance critic and Liberal members have been raising for several years now. It is very important for Canadians. It is very important for the quality of life of people at all income levels, so I thank the member for Parkdale—High Park.

I do note, though, that her party has chosen to add in a comment about recent Liberal governments. Presumably eight and a half years is considered recent. The NDP was not able to stop itself from taking a shot at the Liberal government that introduced so many things to reduce inequality.

I would like to point out the \$40-billion health accord, the Kelowna accord to bring the level of accomplishment of first nations up to non-first nation communities, and the national child care program that she herself referred to in her speech. Does she believe that these programs were not directed toward reducing income inequality? Why would the member not at least have made her input to a clear motion that did not include a partisan shot?

**Ms. Peggy Nash:** Mr. Speaker, I do not doubt my colleague's sincerity on this issue. I know she has spoken out on inequality, as have other colleagues in the Liberal Party, and I do want to acknowledge that.

However, out of power, the Liberals tend to hope that Canadians have amnesia. Liberals do have to be accountable for past actions. I will remind the hon. member and all colleagues here that 94% of the increase in inequality over the last couple of decades has occurred during Liberal governments. They enacted many measures that were extremely harmful to Canadians, measures in health care and social spending that were downloaded to the provinces and that we have not recovered from to this day.

I am glad she raised child care, because in more than a decade of Liberal governments, with majority government after majority government and surplus budget after surplus budget, not one child care space was created in this country. I think that was a shameful waste of opportunity.

• (1715)

**Mr. Phil McColeman (Brant, CPC):** Mr. Speaker, I am pleased to have this opportunity to respond today on the motion from the member for Skeena—Bulkley Valley. I will be sharing my time with the Parliamentary Secretary to the Minister of Labour and for Western Economic Diversification.

The most effective approach to raising the incomes of Canadians and their families is by creating jobs and economic growth. The facts support it and the results show it. John Chambers, the CEO of technology giant Cisco Systems, just said last year, “The easiest

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place in the world to do business is Canada. Their prime minister gets it. They make it easy for me to invest and do acquisitions there; they have a great education program and they have a great immigration policy.”

Through economic action plan 2014, our government has set out a plan for safeguarding Canada's economy by helping Canadians get the information, skills, and experience they need for the jobs of today and tomorrow. The number of Canadians living below the low-income cut-off is now at its lowest level ever. As a result of our government's actions, today the Canadian economy is remarkably strong, setting the conditions for Canadians and their families to succeed and enjoy a high quality of life.

According to the *Bloomberg News*, Canada is the best country in the G20 for business. Canada also leads the G7 for tax competitiveness. The winner: Canadians from all walks of life. The average Canadian family pays \$3,200 less in tax each year under our government. According to a recent PBO report, it is the low-middle-income Canadians who are benefiting the most from our tax cuts.

There is more good news. Canada now leads the G7 in job creation, with over a million net new jobs created since July 2009. There are over 1.4 million fewer Canadians living in poverty under our government than under previous governments. We have one of the strongest fiscal positions in the industrialized world. We are getting our fiscal house in order and we are going to balance the federal budget by 2015. With the help of Canadians, we will continue to build on our successes and focus on the drivers of growth and job creation—innovation, investment, education, skills, and communities—underpinned by our commitment to lower taxes and return to a balanced budget in 2015.

However, while we as Canadians have many reasons to be proud of our country, we must also recognize that there is much more work to be done. Our government recognizes that there are often challenges for under-represented groups in obtaining the support they require for jobs and growth. Those groups include persons with disabilities, aboriginal peoples, and youth. Encouraging their participation in the job market continues to be an important priority for us. As a parliamentarian, I have advocated strongly for reforms and improvements to help more Canadians with disabilities find employment.

This is important not only to promote their social inclusion and improve their quality of life; it is also important because we know that people with disabilities actually form one of the largest untapped talent pools in all of Canada. There are approximately 800,000 working-age Canadians with disabilities who are readily employable and have yet to find a job. Almost half of them have a post-secondary education, so it is clear that their education, skills, and talents are not being maximized, nor are these individuals getting a fair chance to find fulfilling careers. Eliminating the stigmas and removing barriers is key to seeing Canadians with disabilities succeed.

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As a matter of fact, no government has done more than this government to support Canadians with disabilities. That is in large part due to the late minister of finance, the Hon. Jim Flaherty.

Former Minister Flaherty was a major supporter of my recent motion calling for reforms to help people with disabilities find work, and he personally spearheaded real, concrete action in this policy area. Last year, for example, we announced a \$2 million investment to support the creation of a Canadian employers' disability forum. Established by Canadian business leaders under the name "Canadian Business SenseAbility", the forum will facilitate education, training, and the sharing of resources and best practices among Canadian businesses. We also made permanent the enabling accessibility fund and announced \$40 million in ongoing funding for the opportunities fund in 2013.

• (1720)

These measures create more job opportunities and encourage accessibility for persons with disabilities.

Last year, we extended the labour market agreements for persons with disabilities. We are introducing a new generation of agreements with the provinces and territories this year. Our goal is to better meet the employment needs of businesses and the employment prospects of persons with disabilities. To further ensure the inclusion of persons with disabilities in the labour force, our 2014 budget proposed to connect Canadians with disabilities with jobs by providing \$15 million over three years to the Canadian Association for Community Living's ready, willing and able initiative.

Our government is also providing \$11.4 million over four years for the expansion of vocational training for programs for persons with autism spectrum disorder.

There is indeed more work to be done. Aboriginal persons—

**Mr. Marc Garneau:** Mr. Speaker, on a point of order, with all due respect, could we discuss the motion that was put forward by the NDP today? It seems to me that what my hon. colleague is talking about has absolutely nothing to do with it.

**Hon. Gary Goodyear:** Mr. Speaker, entirely the opposite is true. What the member is talking about is the totality of the government's effort to improve the quality of life of Canadians, which happens to be a multitude of taxation decreases.

Not surprisingly, the Liberals do not understand the complete economic effect of government policy.

**The Deputy Speaker:** As all members in the House are aware, the latitude that we grant is quite wide on the issue of relevance. I have to say that, overall, I understand the point the member for Brant is making in terms of the comparison he is making. I think it is quite within the realm of relevancy, so he may continue.

**Mr. Phil McColeman:** Mr. Speaker, aboriginal people, to give another example, remain under-represented in the labour market and often face multiple barriers to employment. They are Canada's youngest and fastest-growing population group, but we are concerned that their rate of participation in the workforce is lower than the national average. Improving economic opportunities for aboriginal people remains a priority for our government. At the federal level, we are taking action to help aboriginal people gain skills and work experience. We are doing that through investments

and partnerships with the private sector. This includes three key activities.

First, nearly \$250 million is being invested over five years to improve the on-reserve income assistance program to help ensure aboriginal youth can access the skills and training they need to secure employment.

Second, our government is investing \$1.6 billion over five years in the aboriginal skills and employment training strategy. This is an integrated approach to aboriginal labour market programming that links training to labour market demand.

Third, the skills and partnership fund helps respond to the changing needs and priorities of the labour market, while providing opportunities for aboriginal people to fully participate in Canada's economy.

In addition, economic action plan 2014 will help aboriginal people build a better future for themselves and their families. This includes \$1.25 billion in support of the first nations control of first nations education act, \$323.4 million over two years to continue to implement the first nations water and waste water action plan, and \$303 million annually in support of first nations housing needs on reserves.

To paraphrase the Minister of Employment and Social Development, the paradox of our time is too many people without jobs and too many jobs without people. One person said recently at our human resources committee that the key will be matching talent to task. Many unemployed Canadians do not have the right skills for the jobs available. It is particularly challenging for young people who do not have the skills or the work experience. That is why we need to do a better job of making a compelling case to more young Canadians to consider a future in the skilled trades.

For too long, we have settled for this beige, one-size-fits-all approach to youth employment, which has essentially been to tell kids to stay in school for as long as they can while in many ways frowning on vocational schools and apprenticeship training.

The Government of Canada is helping Canadian youth get the skills employers are looking for with the Canada job grant, the apprenticeship incentive grant, the apprenticeship completion grant, the Canada apprentice loan, and through help from certain tax credits, such as tuition, education, and textbook tax credits.

As Canada is facing labour shortages, the government is investing in youth employment, skills and apprenticeship programs—

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•(1725)

**The Deputy Speaker:** I am afraid the member has exceeded his time by over a minute now, so perhaps additional issues can be raised in the question and comment period.

Questions and comments, the hon. member for LaSalle—Émard.

[*Translation*]

**Ms. Hélène LeBlanc (LaSalle—Émard, NDP):** Mr. Speaker, I want to thank my colleague, who served with me on the Standing Committee on Industry, Science and Technology. He mentioned a lot of the topics that came up in committee. However, I still was not clear about his position on income splitting, which his government seems to want to implement.

How will income splitting make the gap between the rich and the poor and between men and women even wider? Could the member talk more about how income splitting will affect the well-being of Canadians, which he mentioned?

[*English*]

**Mr. Phil McColeman:** Mr. Speaker, I have thought through the consequences for a wide group of people, including the ones I talked about, persons with disabilities in family situations.

Often for people who are in business, as I was in my previous life before I came to the House of Commons, income splitting was a common thing that went hand in hand with owning one's own business. A husband and wife were able to contribute to the business and split their incomes. In situations with persons, let us say, who are unable to work, this is of even greater benefit. These people are typically at the low and middle-income levels. I totally support our government moving forward on income splitting. I see a benefit for those families in situations where one of the potential earners cannot find work. The income can be split from one to the other and greatly benefit those in the low- to middle-income levels.

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, I would like to follow up with my hon. colleague on the previous question. He mentioned that some people will benefit from it and it is acknowledged that, in fact, about 14% of Canadians will benefit from it, including those he described. However, 86% of Canadians will not.

I would like to know what the member feels about the fact that this measure, which will cost \$2.5 billion a year, is going to benefit 14% but not 86% of Canadians. If the government wants to continue reducing taxes, which is not a bad thing in itself, could it not have chosen something that would have benefited more fairly all Canadians?

**Mr. Phil McColeman:** First, Mr. Speaker, let me say more broadly that the numbers presented are very skewed toward the situations that have been characterized by the opposition as somehow being a tax break for the rich. I come from an orientation that is totally different than that.

I look at families of different natures in my riding, some of whom I have met through volunteer work in my life, and this will be a huge boon for them. This will give people the ability to have more disposable income than they ever thought they would have. Income splitting at all levels is a good thing. It would give people, especially at the lower and middle tiers, tax breaks that prior to this never

existed. If we were to ask seniors right now what they think of income splitting, they will say over and over again it is one of the best things that ever happened. Now we are extending it to the rest of Canada and it is going to affect a much broader range than the numbers the member suggested.

•(1730)

**Mrs. Cathy McLeod (Parliamentary Secretary to the Minister of Labour and for Western Economic Diversification, CPC):** Mr. Speaker, I am very delighted to join the debate here this afternoon. I have to start by looking at the motion that was put before us. I think there is a flaw in that very first sentence. The first sentence says, "That, in the opinion of the House, the drastic increase in income inequality..." and it went on to talk about recent governments.

I was on the finance committee. We did a pretty extensive study and we had a lot of complicated testimony. The motion starts off with a very flawed premise. I need to look at some of the statistics. I will be speaking to some of the statistics from StatsCan.

I heard the speech from the member for Toronto Centre, but I think she left that issue off in the mid-1990s and was not reflecting what has been happening more recently. Again, we have some data that is very important that we need to consider.

First, the share of the population in Canada below the low-income tax cut-off phase in 1995 was over 15% and more recently, around 2008, we are under 9%. Significant numbers of people were taken off the tax rolls. Indeed one million people, including over 300,000 seniors, have now been removed from the tax rolls.

Another statistic is on median family income, including government transfers. It was steadily worse before 1998 and it has become steadily better ever since then.

We can go into hourly average wages by gender. I know we still have some work to do in this area, but again, if we look at the graph starting in 1985 where there was a huge and significant difference, we see those graphs coming together where there is a lot less inequity in terms of wages by gender.

An important thing is the share of market income by quintile. Again there was a noticeable increase in the share going to the top 20% before 1998, but there has been very little change since then. That is an important measure.

On share of income after tax transfers, again, there are relative income gains by quintile. We had another person who talked to us about mobility, the ability for Canadians born in low-income families to move into other income opportunities. Canada has very strong measures in terms. If one is born in poverty, one does not necessarily stay there for one's whole life.

These are all measured by StatsCan. Income share of the top 1% again reflects some pretty important numbers. It was at an all-time high in the 1930s and is significantly down. There was a bit of a burst, but now we are stabilizing.

I think we have to start by looking at the premise of the question. Income inequality is an important issue, absolutely, but it is wrong to suggest that this is a situation that we all have to be fearful about. The numbers show that since the 1990s we have had some pretty good measures.

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I would hasten to add that we should look at who has been in government for the last number of years. It has a large part to do with some of the policies implemented by the Conservative government. Again, one million people off the tax rolls is a hugely important number. There have been 180 tax reductions.

What the opposition members have not talked about is the report by the Parliamentary Budget Officer who said in total the cumulative changes have reduced federal taxes by \$30 billion, or 12%. The low- and middle-income earners have benefited more in relative terms than the higher income earners. That is really important information.

We can look at what the NDP policies would be. The members went to the United States on an anti-trade mission to talk down our ability for the Keystone pipeline. We hear them argue against every trade agreement that comes before the House. They are anti-trade and anti-jobs. I could go on and on about the carbon tax they want to implement and the higher corporate rate for taxes. We would not have a problem with inequality if they were ever to make government, what we would have a problem with is everyone being in the low-income area because there would be no opportunities in Canada, so there would be no opportunity for inequality.

● (1735)

The other thing I found a bit disturbing is some of the talk I have heard today about women. I am really surprised that it is coming from the NDP.

We have choices in Canada. When my children were young, I took on a part-time job by choice. It was not that I was being suppressed; it was the fact that I truly wanted that time and opportunity to be with my children, so I took a wage reduction and went into part-time work. At that time, my husband worked a little harder to see us through. We were not rich by any means. Certainly, I did not see that it impacted my ability to be fulfilled or my career opportunities. I made a choice in terms of my children at that time.

Men make these choices also. There are times when it is women physicians, surgeons, dentists, businessmen, and women in the trades. Increasingly, this is a choice that parents will make, and it could just as well be the husband who is staying home; and increasingly it is the husband. Therefore, it is absolute nonsense for the NDP opposition to suggest that this is something that is taking us back to the *Leave it to Beaver* times and that it denigrates women. Whether it is the male or the female, this provides the family unit the opportunity to decide how it will work and combine careers, because as we all know, it is tough when two parents are working. It is very busy, and if there is any opportunity to help the parents in terms of what they are doing and how they are doing it, we are a government that is proud to do that.

We believe that the most effective approach to raising the incomes of Canadians and their families is to grow the economy through reducing taxes, increasing support for hard-working Canadians, promoting trade and investment, supporting key economic sectors, making education accessible and affordable, reducing barriers to labour market participation, and being strong fiscal managers. The motion that the NDP has put forward is just plain wrong and ill-conceived. As a result of our government's approach, Canadians enjoy one of the highest standards of living in the world. The low income rate in Canada has been declining and now sits at an all-time

low. We talked about how that changed. We can look at the graphs. Those are not made-up numbers; they are available from Statistics Canada because they are important numbers. Because of these facts, Canada's economy has demonstrated a remarkable capacity to create jobs, setting the conditions for Canadians and their families to be successful.

We often talk about our labour market performance in the G7, with more than a million net new jobs created since the recession. We still have a way to go. We recognize that we have a fragile economy and we have to watch what is happening, but we believe that families are the building blocks of our society and are critical to Canada and our long-term prosperity.

Since 2006, we have provided significant tax relief for Canadian families, and economic action plan 2014 continues on that track by keeping taxes low. These tax reductions give parents greater flexibility to make the choices that are right for them and help build a solid foundation for future economic growth, more jobs, and a higher standard of living for them and their children. Canadians at all levels of income are benefiting from the tax relief measures introduced.

*The New York Times* recently wrote that Canadian median incomes are the highest in the world. Middle income Canadians receive proportionately greater relief than the one million low income Canadians who have been removed from the tax rolls.

There are many things that we have done, whether it is the Canada child tax benefit, the national child benefit supplement, the disability benefit, or the child tax credit. Of these investments, two-thirds go to the low income and modest income families with children.

Unfortunately, I do not have enough time to share with the opposition all the measures that create fabrics, such as the working income tax disability. They are a basket of tax measures that are targeted, that help different groups in our society in Canada to be the prosperous families and communities in the prosperous Canada that we so truly enjoy.

● (1740)

[*Translation*]

**Mr. Raymond Côté (Beauport—Limoilou, NDP):** Mr. Speaker, I thank the Parliamentary Secretary to the Minister of Labour and for Western Economic Diversification for her speech. I had the pleasure of working with her for part of 2013 on the Standing Committee on Finance.

After she left the committee, we studied the economic inequality of Canadian households. The report we produced, which was endorsed by the Conservative government, showed that even though the Conservatives may have slowed the increase in income inequality in Canada as compared to the Liberals, it has still increased. Income inequality has increased at a slower pace, but it has increased nonetheless. The pace has not been reversed, despite the tax measures taken by this government.

*Business of Supply*

Part of the motion addresses the increase in income inequality in Canada. Is the parliamentary secretary distancing herself from the report her government adopted in the Standing Committee on Finance?

[English]

**Mrs. Cathy McLeod:** Mr. Speaker, what I clearly showed is a number of measures. I was on the finance committee, and we listened to many witnesses who indicated many significant measures, including a move from 15% to under 9% for families that are under the low income cut-off level. That is a huge improvement. It represents the ability for mobility in terms of how Canadians can move from low income through to having opportunities with a higher income.

What I showed and demonstrated in the early part of my speech is that income inequality is an important issue that we need to pay attention to, but it is certainly not dramatically increasing, as this motion says. We are very proud of our record on this in terms of the reduction.

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, I would like to come back to the issue of income splitting and the inequality it creates.

I know that the government made a promise in 2011. It was looking way ahead and saying that if it was in a position to balance the budget by 2015, it would bring in this income splitting. It would be very embarrassing for the government to backtrack, having made that solemn promise in the last election.

However, the evidence shows that income splitting in the way it has been proposed here, as it was promised back in 2011, would only benefit 14% of Canadians. The other 86% would not benefit in any way whatsoever.

The government held the previous finance minister in very high esteem, and he himself recognized and said very clearly that he was definitely having second thoughts about income splitting. That was with very good reason, because he understood the consequences of it. Given that, does the government not recognize that moving ahead with income splitting the way it promised in 2011 is not the right thing to do for the majority of Canadians, and that it would, in fact, add to income inequality?

**Mrs. Cathy McLeod:** Mr. Speaker, I have some trouble with what the member said, because he said that 14% of people in this country do not matter.

How many benefited from the working income tax benefit? It was a percentage. How many seniors benefited from the income splitting? It was a percentage of the population.

He is suggesting that families with young children who have working parents with a disparity in their incomes should not also have some of the benefits of tax policies that Canadians put forward. I would like to ask him if the seniors in his riding who benefited from the income splitting that they enjoy support his party's retracting on that one.

• (1745)

**Mr. Kennedy Stewart (Burnaby—Douglas, NDP):** Mr. Speaker, it is a pleasure to speak here today. I have a prepared speech, but listening to the debate we have had here in the House has made me

think about how many people who sit in this House would actually benefit from this income splitting proposal from the Conservatives. I would argue it would be a lot of us.

I think about my own financial situation, and I would benefit from this. However, as a member of the House of Commons, my salary of \$160,000 is ample. My wife's salary is a little less than that. It is also on public record. I am against this proposal because I think I am adequately compensated for the work I do.

Everyone here in the House is really within the top 1% or 2% of Canadians in terms of earnings. Therefore, how could I in good conscience vote for something that would put an extra \$5,000 in my pocket? I cannot. This is what is really disturbing me about this debate. Parliamentarians, we in the House of Commons, are here to be responsible with public money. We are not here to line our own pockets. That is what this income splitting would essentially do. I would estimate that probably half the members in the House of Commons would directly benefit from this tax proposal. That is really alarming.

Sometimes this is what is wrong with this place. We have really lost touch with what is going on in the general public. We have a high unemployment rate. Our economy is not scheduled to grow at the same rate as other economies around the world. I will talk about it in a minute, but we have this kind of massive inequality starting to grow between the people who are the top earners, like us in the House of Commons, and folks outside the House of Commons. Therefore, I think these types of measures are a mistake. We should be looking at ways to bring Canadians, who are not as fortunate as us to earn this kind of money, the help they need to move into the middle class or stay in the middle class.

Again, I think this is really abhorrent and any Canadians watching this debate would be quite upset. They would be saying, "There they go again, giving themselves a big chunk of money." That is what is most disturbing.

I would like to thank the shadow finance minister, the member for Skeena—Bulkley Valley, for his work on this issue. He is doing yeoman's work for us as a shadow finance minister.

Although we are talking about income splitting, at the core of this issue is income inequality in Canada. The Conference Board of Canada has said that income inequality is really looking at how income is distributed within a country. Inequality means that it is being distributed unevenly. Really, this is a principle of equity we are looking at. If there is a large income inequality within a country, as we see elsewhere around the world and increasingly in Canada, there will be problems. In some extreme cases there could be instability, which of course none of us wants.

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A common way of assessing inequality, used by most economists, is the Gini coefficient, which is a way of measuring this dispersal of income. A zero on the Gini index would indicate exact equality. That means everyone makes exactly the same amount. A score of 1 would mean that one person has all the money and everyone else has none. We have this scale between 1 and 0. Without taxation and social transfers like our health care systems, welfare systems, and EI systems, Canada's Gini score would be .44, which is classified as very unequal. However, with tax transfers the score drops to .32, putting us in a situation where we are unequal, but not as bad as some places.

To put this in perspective, in South Africa, the Gini score is .63, which is the worst among most countries. Sweden is the best at .22. Canada is not as bad as South Africa, where we see extreme inequality, but of course we are not nearly as good as the Nordic countries in terms of redistributing wealth.

According to the Conference Board of Canada, again, not an NDP publication but one we like to refer to when it gets it right, Canada gets a C. We rank 12th out of 17 peer countries. In fact, the real problem is that inequality in Canada has increased over the years.

Whatever we are hearing from the other side, it is really an undeniable fact that the richest group of Canadians has increased its share of total national income, while the poorest and middle income groups have lost share. Really, over this period of both Liberal and Conservative governments, our Gini coefficient has grown from .28 to .32. Again, it does not sound like a lot, but when we think about how many thousands of Canadians are affected, we see it is actually a very troubling trend.

• (1750)

One question is, what fanciful tax measures can we put in place? However, the real question is, what problems should we be addressing?

We do see some GDP growth, but it has slowed over the years. We have an economy that is sluggish but growing. However, our real problem is how we reduce this inequality. The Conservative idea of income splitting will do nothing to lessen the gap in inequality. In fact, it would increase inequality, which is a big problem.

To put it plainly, the income splitting plan amounts to a tax break for the most wealthy, which will cost the federal government about \$3 billion without providing any benefit to 86% of Canadian families. We have to remember that it is not just 14% of random families that would benefit, but 14% of the richest families would benefit from this, which troubles economists.

I had the great privilege teaching at Simon Fraser's School of Public Policy. The professor who had an office beside mine was Rhys Kesselman, a Canada Research Chair in Public Finance. It was a great department. I am a raging lefty with the NDP, but we had a lot more centre-right colleagues to bounce ideas off. This was one of the ideas, along with the HST, carbon taxes or whatever else we would discuss. The great thing about academia is that one can throw ideas around.

Professor Kesselman is largely credited for inventing the Conservatives' tax-free savings account policy. This is a man whose work they are not unfamiliar with on the other side. In fact, he

supported greatly the HST within British Columbia, which did not go down so well. He is a very thoughtful man and the author of a C. D. Howe Institute report on income splitting. His report entitled, "Income Splitting for Two-Parent Families: Who Gains, Who Doesn't, and at What Cost?", finds, similar to other reports, that 85% of households would gain nothing from this and a further 6% would gain less than \$500.

We are not just talking about 86% who would not be gaining. We are getting closer to 91% of Canadians who would not benefit from it. Therefore, it would be a very small segment of the population that would benefit. The richest 9% of Canada, like us in the House of Commons, would benefit from income splitting.

Professor Kesselman says that:

The splitting proposal would significantly raise marginal effective tax rates for most lower-earning spouses, thus imposing barriers for working or returning to work; this would make married women more vulnerable by reducing their work experience...And if the objective is to provide support to families in raising children, it would distribute most benefits where they are least likely to be needed.

In economic speak, I would call that a raging failure of a policy.

I will be splitting my time, Mr. Speaker, with the member for Churchill.

People who make under \$44,000 would have no benefit. People who make above \$44,000 a year but who are in the same tax bracket would have no benefit. Single people, couples with no kids and couples with kids who are grown would not benefit. Parents who are divorced would have no benefit.

Income splitting is not a good idea but, again, if those in the House of Commons want to give themselves a big fat cheque, this would be exactly how to do it, by income splitting.

I am a bit puzzled by those at the end of the chamber. The Liberal leader has called income splitting a decent idea, and it seems the Green Party also supports it.

I find this disturbing. Canada's big challenge is income inequality. It is a growing challenge and one that is not being addressed. It has been heightened by Paul Martin and other Liberal finance ministers and it is getting worse and worse under the Conservative government.

These measures, which are so boldly meant to benefit the richest people in Canada, will not fix things. Until we are honest about this, there are a lot of people in Canada who will suffer.

**Mr. Mark Adler (York Centre, CPC):** Mr. Speaker, I will use my hon. friend's own logic at the outset of his statement when he said that the wealthiest people, including us in the House, would benefit from income splitting, and he cited himself as an example.

*Business of Supply*

Does that mean he has voted against every tax reduction measure because he felt that he should not benefit from it? What does he have to say now to all those lower-income Canadians who would have benefited by the lower tax reductions brought in by our government? What does he have to say to those lower-income Canadians when he voted in his own interest?

• (1755)

**Mr. Kennedy Stewart:** Mr. Speaker, I guess the member is somebody who is going to benefit from this tax measure and is arguing to support it.

The NDP is here to defend all Canadians, especially those of lower income. It is really our brand. It is what we stand for. It is why I joined the NDP and why I continue to stand here to fight against that rhetoric.

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, the member might be somewhat misinformed on what the NDP actually does stand for once it gets into government at the provincial level. He might be surprised of the inequities and how profound the NDP is, particularly, in a province like British Columbia. It used to be fourth among Canadian provinces in terms of inequity on income redistribution. Then in 10 years it brought it to the worst in Canada.

In Manitoba the NDP had seven different reductions of corporate taxes and gloated that it wanted to do more. I do not think the NDP owns any holy ground on this issue.

Does the member not believe there is a role for the House of Commons to play? We saw a bit of that role when a motion passed a couple of years ago on the need for us to come up with some tangible ideas on how we could come back

Could the member provide us one tangible policy today that would have a positive impact and which the NDP would support, one that will not contradict something that one of its NDP cousins at the provincial level has done?

**Mr. Kennedy Stewart:** Mr. Speaker, it is disappointing when we see the Gini index. It took its biggest bump when Paul Martin cancelled the affordable housing program. That is the kind of redistribution of wealth that actually makes Canada a more equal place and when we balance the books of the poorest people in Canada, we will get increases in inequality.

I realize the member is very proud of that record, but I think it is terrible. That will stop at an NDP government.

[*Translation*]

**Mr. Robert Aubin (Trois-Rivières, NDP):** Mr. Speaker, I would like to thank my colleague for his highly relevant speech. Obviously, I support all of his remarks on personal finances.

However, I would like additional clarification on this policy, or how the Conservatives make policy. They never consult anyone. Once again, with this measure, they are getting ready to transfer \$2 billion in additional expenditures to the provinces without seeking their opinion on the matter.

[*English*]

**Mr. Kennedy Stewart:** Mr. Speaker, that is a very relevant question. I think it is distressing Canadians and that is why they are moving away in droves from the Conservative Party. They are sick

of being taken advantage of, of being told that the government is going to have income splitting, for example, and then seeing the Conservatives argue among themselves.

Mr. Flaherty, the former finance minister, whom I respected greatly, near the end of his tenure said that this was bad idea. I think he started to listen to the experts. The Conservative Party would do well to do the same, realize it made a mistake in its platform, that it was not a good idea, that it will not go ahead with it, and apologize for it.

**Ms. Niki Ashton (Churchill, NDP):** Mr. Speaker, I am pleased to stand in the House and defend our opposition day motion that opposes the government's regressive proposal to bring in income splitting, a proposal that will not benefit the vast majority of Canadians, a proposal that will help turn the clock back on women's equality in our country.

Canadians need a break financially. My constituents tell me this often. They work hard and they try their very best, but at the end of the month they still struggle to pay their bills, or afford adequate child care, or afford the rent and sometimes to put food on the table and clothes on their kids' backs. The bottom line is that we must do more to make life more affordable.

The median income in my riding is \$45,961. That means half of the people in my riding in Northern Manitoba earn more than that and half earn less.

I represent many people who live in poverty and people who live in communities with chronic and historic unemployment.

The reality is that the Conservative income-splitting scheme will not put even \$1 back into the pockets of most of the people who I represent. In fact, 62% of Manitobans will not benefit from income splitting one bit.

Income splitting would not be a gift from the Conservative government to taxpayers. It would be a gift to their wealthy friends. It would cost Canadians billions of dollars to implement the income splitting plan and every Canadian would be paying for it while the same could not be said about the benefits. The question that New Democrats are asking is, how is this possibly fair?

The New Democrats know that we can build a robust economy that will bring shared prosperity to all Canadians. Income splitting reveals, yet again, that the Conservatives only want to give tax breaks to their wealthiest of friends.

As the critic for status of women and as the member of Parliament for Churchill, I would call the Conservative income splitting plan nothing more than a smoke screen. It would not help lower income families, single parents or the majority of first nations and Métis people across our country. Not only would it not help the majority of women, it would have the potential to damage gender equality in our country.

I will discuss the many ways that income splitting has the potential to hurt the status of women in our country.

*Business of Supply*

First, income splitting would not help single parents or single people. We know that many single parents, particularly many who live in poverty, are women. In some ways, income splitting would reward married people and punish single people, divorced couples, lone parent families and intergenerational families, meaning families that raise their children with the help of grandparents and other relatives.

In my experience in my visits across my constituency, I meet many kinds of loving, supportive families. The last thing that non-nuclear families need is the federal government promoting a thinly veiled moral bias against them in the form of bad policy and regressive taxes.

This tax break effectively tells people that only if they are married and only if they are in a marriage where one spouse earns considerably less than the other, do they deserve a tax break.

Many days in the House we wonder, given the policies put forward by the government, if we are going back to the 1950s or the 1850s. In the case of the income splitting proposal, the Conservative government is putting forward the classic vision of the 1950s family, one that might be modelled on June and Ward Cleaver. Earlier in the House I heard talk of Don Draper.

The reality is that Canadians have moved on from the 1950s. It is 2014. The reality of the Canadian family is not that of the 1950s. We should be looking at what we need to do to support today's Canadian families rather than imposing a moralistic view of how the government sees families now.

● (1800)

Furthermore, 88% of lone-parent families are headed by women, and women, on average, earn 19% less than men, so when we talk about who benefits from income splitting, we are not only talking about wealthy people, we are often talking about men who are wealthy.

As I mentioned, income splitting will cost the Canadian public \$3 billion each year and will deliver no benefit whatsoever to 85% of Canadians. This is a kind of reverse taxation system, where the large majority will pay their taxes into the pockets of the wealthy minority. As well, it would cost our provinces a further \$1.9 billion every year.

I have one major question for the government. What else could we possibly be spending that money on? For starters, there could be a national child care strategy that would see every child in Canada receive high-quality, affordable care that could be established for a fraction of what the government wants to spend on income splitting. A truly national early learning program would cost \$5 billion over four years.

Child care is currently costing the average family between \$900 and \$1,200 a month, a debilitating cost that too many Canadian families in this day and age cannot afford.

Let us think of what it would be like to put most of that money into the pockets of Canadian families. Let us think of what it would mean for women to truly have the choice to continue their careers and care for their children as they saw fit, without economic duress being a contributing factor.

I raise this example, because income splitting is not a take it or leave it program. With its price tag, it is either/or. We could either have our government spend our money on income splitting for the wealthiest, or we could have a national child care program, university tuition subsidies, a national housing strategy, or increased health transfers. Indeed, for the price of income splitting, we could have a bit of all of these things, and each one of these factors would contribute vastly to people's individual finances, their family's well-being, and the strength of our economy as a whole.

We know that increasing women's equal participation in the labour force has a multiplier effect on the economy that would increase our GDP by billions of dollars. Child care is not only the right thing to do to give parents choices but is the economically smart thing to do for our communities and our country.

Income splitting would hurt the status of women in other ways the Conservatives do not want us to know about. When higher income earners, mostly men, transfer a larger portion of income to a spouse, it makes it look as if the lower-income person is actually earning more than they are. Statistically, as I noted earlier, in Canada, due to the gender wage gap, this would likely be the female spouse. Income splitting would work to artificially inflate a woman's income. This would give us a false sense of data. We would lose sight of the persistent challenge women have in this country: earning equal wages. It would get even worse. When a couple broke up, it would seem as though one spouse earned more than they did throughout the partnership. This could have an effect on how much alimony or child support they would earn and could also have an effect on their child tax benefit once they were single. I can see this placing thousands of women in financially precarious situations, brought to them entirely by the government's plan for income splitting.

For these reasons and more, I am proud to stand alongside my New Democrat colleagues in opposition to the government's plan for income splitting. We want our taxes to work toward the collective good and for the health and prosperity of all Canadians.

Conservatives, it is clear, want a system that benefits the few, not the many, and I believe that Canadians understand fundamentally how unfair that is.

● (1805)

**Hon. Gary Goodyear (Minister of State (Federal Economic Development Agency for Southern Ontario), CPC):** Mr. Speaker, I find the rationale behind the member's speech quite disturbing, frankly. By her logic, she feels that we should not give child tax benefits, because some Canadians do not have children, and we should not give tax reductions to seniors, because not all Canadians are seniors.

We gave tax credits and tax benefits to families with children and families without children. We gave tax benefits to single people, to married people, to students, to farmers, to fishermen, and to firemen.

*Business of Supply*

Of the 180-plus tax reductions for Canadians in every sector, of every age, of every type of family, with kids, with no kids, seniors with kids, which one did that member vote for? Would she name me one?

•(1810)

**Ms. Niki Ashton:** Mr. Speaker, to riff off one of the words my colleague used, “disturbing”, if we want to talk about what is disturbing, it is how the Conservatives are so willing to spend \$3 billion each year for something that would benefit 15% of Canadians, and some hardly so, at the expense of investing it in programs and strategies that would benefit all Canadians, including child care, housing, and employment and training strategies.

**Hon. Gary Goodyear:** Like the GST cut?

**Ms. Niki Ashton:** Mr. Speaker, I know my colleague is hesitant to hear what I have to say, because it is easier to think that income splitting is going to sound good. Canadians are getting to know the truth. This is an idea that they understand is fundamentally unfair, and I can guarantee that if they tell Canadians they could spend \$3 billion on something that would benefit them, they sure would not be mentioning income splitting.

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, in a previous question I asked someone on the government side, I mentioned the fact that 14% of people stood to make some kind of gain from the income-splitting promise the government made way back in 2011 but that 86% of Canadians would not benefit in any way whatsoever. I have to say that I was floored by her comment, and I would like to hear what my hon. colleague has to say about it. That member on the government side actually asked what was the matter with defending the 14% of Canadians who would actually benefit from this and whether I had anything against that 14%.

Did I misunderstand that comment, or is that what I actually heard?

**Ms. Niki Ashton:** Mr. Speaker, I thank my colleague for that question, and I look forward to reading *Hansard* to see that insightful comment.

What we are seeing from the Conservative government is a real misreading of what matters to Canadians, but we cannot just leave it there. I made the comment in my speech that this is fundamentally about a vision of Canada they adhere to every single day. It is a vision where a few wealthy people, who also happen to be some of the Conservatives' friends, benefit. It is a vision where women in our country are worse off. It is a vision of leaving people at the margins and not investing in the kinds of programs that would benefit them and their communities across the country, no matter their income level, no matter where they live or who they are. It is a fundamentally unfair vision.

I share the concern of so many Canadians that our country is becoming more and more unequal. I would say that this is a warning sign. We know that as countries become more unequal, things become more difficult for people who live in these countries, if we look at health indicators and indicators of well-being.

We have work to do here to turn the tide. Sadly, the Conservative government is keen on creating a more unequal Canada, whether in terms of gender equality or in terms of income inequality.

I am proud to stand with the NDP, not just to fight against that inequality but to propose ways we can take our Canada back, our country back, and build a better country for all.

**Mr. Mark Adler (York Centre, CPC):** Mr. Speaker, I will be sharing my time with the very hard-working member for Mississauga—Erindale, the Parliamentary Secretary to the Minister of Justice.

Mr. Speaker, I am pleased to respond to the motion proposed by the hon. member for Skeena—Bulkley Valley. Today I would like to reassure the hon. member that our government's top priority is what matters most to Canadians, jobs and economic growth, while ensuring that all Canadians have the opportunity to share in the benefits of a strong economy.

Just a few years after the worldwide economic crisis, the strength of the Canadian economy today demonstrates that our approach is working. I have seen first-hand how our low-tax plan is benefiting the businesses, families, and communities in my own riding of York Centre. We have created jobs, kept the economy growing, and, I am pleased to note, will be returning to balanced budgets in 2015.

Since we introduced the economic action plan to respond to the global recession, Canada has recovered more than all of the output and all of the jobs lost during the recession. Real GDP is significantly above pre-recession levels, which is the best performance in the G7. Canada has weathered the economic storm, and the world has noticed.

Both the IMF and the OECD expect Canada to be among the strongest-growing economies in the G7 over this year and next, with the strong fundamentals in place to perform well for the next 50 years.

For the sixth year in a row, the World Economic Forum has rated Canada's banking system the world's soundest, and KPMG's “Competitive Alternatives 2014” study ranked Canada the most competitive mature market country for business. Moody's, Fitch, and Standard & Poor's have all reaffirmed their top ratings for Canada, and it is expected that Canada will maintain its AAA rating in the year ahead. Canada has leapt from sixth to second place in Bloomberg's ranking of the most attractive countries for business to grow.

Here is an important fact. Did members know that our government is also recognized internationally for increasing the wealth of middle-class earners? According to a major study conducted by *The New York Times*, Canada now has the richest middle class in the world. For the first time in history, Canadian middle-class families are better off than those in the United States. The study found that median after-tax income in Canada has never been higher and was higher than any of the other countries surveyed, including France, Australia, and the United Kingdom.

*Business of Supply*

Even if the Liberal leader chooses to ignore the obvious, the facts are clear, and the evidence is overwhelming. Canadian families are better off today under our Conservative government than they were under the previous Liberal governments. Today middle-income earners have more money in their pockets, where it belongs. Millions of Canadians who elected this strong, stable, national Conservative majority government did not just make a smart political choice; they made an informed financial decision, and that decision is paying off.

According to Statistics Canada, Canadian families in all income groups have seen increases of about 10% or more in their take-home pay since our government took power. Statistics Canada data also shows how Canadians' wealth has increased dramatically under the leadership of our Prime Minister. The median net worth of Canadian families has increased by a whopping 44% since 2005. This increase has been led by the middle class.

Why are middle-class income earners doing so well under our Conservative government? One of the biggest reasons is our historic tax relief.

As we all know, the man we know as the world's greatest finance minister, the late Jim Flaherty, delivered historic tax relief for all Canadians. In fact, under his steady hand, our government cut taxes for Canadians 180 times, so the federal tax burden is now the lowest it has been in over 50 years.

The Parliamentary Budget Officer reports that we delivered \$30 billion in tax relief, benefiting low- and middle-income Canadians the most. The average family of four will pay nearly \$3,400 less in taxes in 2014.

To the NDP members and the Liberals who scoff at this, for some middle-income families that could mean car payments for an entire year. That is right. We have made life more affordable for middle-income families, and the opposition parties have fought us tooth and nail on every proposal our government has put forward to put more money in the hands of middle-income families.

• (1815)

I remember the Liberal leader telling Canadians that budgets just balance themselves. I guess no tough choices, no discipline, and no savings are required for the Liberal leader. Instead, he believes in reckless spending and higher taxes that would eliminate jobs, stall our economic growth, and make it harder for families to get by.

We have done the exact opposite. Since day one we have helped families and kept taxes low. Not only did we lower taxes for families but we cut taxes in each and every way the government collects them, whether personal, consumption, or excise and business taxes. Our tax relief included a reduction in the GST from 7% to 5%. It increased the amount that all Canadians can earn without paying federal income tax and reduced the lowest personal income tax rate to 15% from 16%. The TFSA represents the most important savings vehicle since the introduction of the RRSP. Due to popular demand, we even increased the amounts Canadians can save with their TFSA. More than nine million Canadians have taken advantage of opening up a TFSA account.

I am also pleased to note that last month the finance minister successfully secured commitments from Canada's largest banks to offer no-cost accounts for financially vulnerable Canadians. No-cost

accounts will be available to youth, students, seniors qualifying for the GIS, and registered disability savings plan beneficiaries. This fulfills a 2013 Speech from the Throne commitment to expand no-cost basic banking services and to end pay-to-pay policies. This will benefit seven million Canadians.

We have supported financially vulnerable Canadians. We have undertaken unprecedented action to benefit Canadian seniors. We have cut taxes for seniors and pensioners by over \$2 billion annually. We introduced pension income splitting and pooled registered pension plans, and launched consultations on a new target benefit pension plan. Our actions have helped remove over 380,000 seniors from the tax rolls. In 2014, a single senior can earn at least \$20,000, and a senior couple at least \$40,000 before paying any federal income tax.

Our government has also introduced a number of other targeted tax reduction measures. For example, we have helped families with children by introducing the child tax credit, the children's fitness tax credit, and the children's art tax credit. We have introduced the registered disability savings plan to help individuals with severe disabilities and their families save for long-term financial security. We have provided additional annual targeted tax relief for seniors and pensioners by increasing the age credit and pension income credit amounts, and raising the age limit for maturing savings and registered pension plans and registered retirement savings plans. We have introduced a public transit tax credit to encourage public transit use.

At the same time, we have increased and enhanced benefits for Canadian families by introducing the universal child care benefit, introducing and enhancing the working income tax benefit, increasing the amount of income families can earn before the national child benefit supplement is fully phased out and before the Canada child tax benefit base benefit begins to be phased out.

What do all of these measures have in common? The opposition voted against every single one of them.

As I have said, Canadians at all income levels are benefiting from tax relief introduced by our government with low and middle-income Canadians receiving proportionately greater relief. More than one million low-income Canadians have been fully removed from the tax rolls as a result of tax relief provided by our government.

*Business of Supply*

Our recent budgets have built upon our record of supporting families and communities while establishing a path for returning to balanced budgets. Successive economic action plans have supported Canadian families by keeping taxes low, better recognizing the costs of adopting a child, helping to lower the prices of consumer goods, and better protecting financial consumers. The economic action plan continues on this track.

From Detroit to Greece, the dire consequences of ongoing and growing deficits are clear. This is one of the reasons why our government has reduced taxes, to keep more money in the pockets of Canadians. We are committed to reducing the tax burden on Canadians in our forthcoming budget.

Let me conclude by saying that I am optimistic about our prospects as a nation. The Canadian economy continues to expand, enjoying one of the strongest job creation records in the G7 over the period of the recovery. Over a million more Canadians are working now than during the depths of the recession, with the overwhelming majority of jobs being full time, high wage, and in the private sector.

• (1820)

While our jobs and growth performance is encouraging, we still have work to do. I am confident that economic action plan 2014 is the way to go. If we hold to the course we have chosen, our future looks bright.

**Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):** Mr. Speaker, listening to the speech by the member for York Centre is much like listening to most of the Conservatives' response to this debate. Rather than talking about income splitting, they talk about what has gone on over the last number of years in this place. We could have that as a separate debate, but that is not the motion before us today. We do not hear them talking about 14% of the wealthiest Canadians benefiting from this.

My friend asks me about my wife from time to time. We have gone through cancer in our home and the only thing that we had to pay for was parking at the hospital. That is a benefit of the system that we have in this country.

We go to fundraisers from time to time for children with leukemia and other diseases whose families do not have the resources to pay for medications that are not covered by our health system. Would it not be better to pay for that medication using some of that \$3 billion that we are about to give to the wealthiest Canadians?

• (1825)

**Mr. Mark Adler:** Mr. Speaker, our government has taken action in successive budgets to reduce the tax burden on average Canadians so that they have more money in their pockets to spend on what they need the most.

The hon. member is a good friend of mine. Let me remind him about the NDP record in Ontario. Ontario had the highest income taxes in North America, the highest deficit in Ontario's history up until that point, and the most job losses since the Great Depression. Tuition fees were doubled. This turned Ontario into the welfare capital of Canada.

Rather than coming up with something new, the NDP members, rather than changing their proposals, want to double-down and bring what they did to Ontario to the whole of Canada.

**Mr. Marc Garneau (Westmount—Ville-Marie, Lib.):** Mr. Speaker, since my hon. colleague on the government side specifically brought up Jim Flaherty and referred to him as the world's greatest finance minister, I would like to ask him what he makes of the fact that a few months ago Mr. Flaherty expressed some serious reservations about the income splitting plan that had been promised by the Conservatives in 2011. It was clear to him in his pronouncements that he was questioning it seriously because he considered it to be very unfair.

I would like to hear what my colleague has to say about that.

**Mr. Mark Adler:** Mr. Speaker, unlike other party caucuses, our caucus has a variety of opinions. We have strong and robust debate on policy matters, which is encouraged within our own party. This is unlike the Liberals. I remind the people of Canada who are watching this debate right now that in 1974 they campaigned on not imposing wage and price controls yet the first thing they did when they got into power was to impose wage and price controls. In 1993, Jean Chrétien promised to axe the tax, to get rid of the GST. Instead of doing that, he kept it. He also promised to get rid of the NAFTA. He ended up keeping that too.

Today, we hear the Liberals criticizing the temporary foreign worker program in public but behind the curtains they speak to the Minister of Employment and Social Development to get more temporary foreign workers into their ridings. That party's hypocrisy is evident.

We cannot really step on the pedal and on the brake at the same time.

**Mr. Dan Albas (Parliamentary Secretary to the President of the Treasury Board, CPC):** Mr. Speaker, it seems that the opposition has voted against every single tax measure, whether it be consumption taxes, corporate taxes, or income taxes. It does not matter what we do. Those members seem to be ideologically opposed to it regardless of the benefit. We saw a public budget officer report that said the majority of the \$30 billion went to low- and middle-income families.

I would like the member's thoughts on the reasoning behind those members' opposition to every tax measure that has been brought to the House.

**Mr. Mark Adler:** Mr. Speaker, NDP members seem to be stuck in the past. Their buggy tires are mired in mud and spinning.

The NDP members are mired in the past and stuck in the old economic policies of the past. Rather than bring them into a more modern version of at least their own form of democratic socialism, rather than revise their policies, they want to double-down on the old policies and bring what happened to Bob Rae's government to Canada. We know he cannot run away fast enough from the NDP.

**Mr. Bob Dechert (Parliamentary Secretary to the Minister of Justice, CPC):** Mr. Speaker, members will probably know that prior to being elected to this place, my hon. colleague was the president of the Economic Club of Toronto. This is a man who really knows what he is talking about. I think it showed from the speech he just made and his answers to the questions.

*Business of Supply*

I represent the city of Mississauga in the greater Toronto area. The cost of living is high there. The cost of housing is high and the cost of transportation is high. Tax relief for families is important to our community and it benefits everyone in our community.

Because of our policies, the average family of four saves almost \$3,400 a year in taxes. That is contributing to increases in the net worth of families in places like Mississauga and their incomes, and it is a good thing for all of Canada.

● (1830)

**The Speaker:** It being 6:30 p.m. and this being the final supply day for the period ending June 23, 2014, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the opposition motion.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Speaker:** In my opinion the yeas have it.

*And five or more members having risen:*

**The Speaker:** Pursuant to Standing Order 81(18), the division stands deferred until later this day.

\* \* \*

[*English*]

### MAIN ESTIMATES, 2014-15

#### CONCURRENCE IN VOTE 1—SENATE

**Hon. Gary Goodyear (for the President of the Treasury Board)** moved:

That Vote 1, in the amount of \$57,532,359, under THE SENATE—The Senate—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 2015, be concurred in.

**Mr. Scott Reid (Lanark—Frontenac—Lennox and Addington, CPC):** Mr. Speaker, I am dealing with an opposed item, the opposed item being the estimates necessary to carry on the business of the Senate. It is the funding for the Senate.

This is an item the New Democratic Party opposes every year. Every year the NDP causes us to have to deal with the issue of whether or not the other place ought to receive any funding. The NDP's argument, as one can see from the debates in previous years on this matter, is to argue that the Senate has no legitimacy. That argument will be summed up with more finesse by one of my hon. colleagues on the New Democratic benches in time, but it goes something like this: the Senate has no place, as an appointed upper

House, in a modern federation like Canada. We would be better off with a unicameral Parliament.

I expect NDP members would point to a number of other jurisdictions that have unicameral Parliaments, such as New Zealand or the various provinces, some of which did in fact have legislative councils, upper Houses, of their own in the 19th century. These were abolished in the course of the 19th century in Prince Edward Island, Nova Scotia, New Brunswick, and Manitoba, and then in the course of the 20th century in Quebec. No other province has one.

That would be the essential argument they are making. The New Democrats would also argue that no change to the way the Senate is structured can make this body better than the situation we would have if we had a unicameral Parliament. That is the essential argument. It is a defensible argument, although I do not share in it myself.

The trouble with this argument today is that we are facing a somewhat different set of ground rules than we were in the past. This argument was presented in the past with the symbolism of saying that the Senate is a morally bankrupt place and therefore we ought not to fund it. We all understand that in the end the funding will go through and the estimates will be approved, but we are making a statement.

That is a statement that no longer has very much moral resonance, and I would urge the New Democrats to perhaps refrain from opposing this item in future years. I will present my argument as to why this should be the case.

What is different from previous years is that this year we have an answer to a series of questions that were posed to the Supreme Court last year regarding different ways of reforming the Senate.

Building on the fact that there was a consensus among Canadians that the Senate ought not to be an appointed body into the future, the government put forward a series of six specific questions to the Supreme Court of Canada, asking about different options for changing the Constitution in order to change the structure of the Senate.

These included a question regarding limits of tenure on senators: instead of being appointed to age 75, could senators be appointed for some limited term of perhaps eight, nine, or ten years? Six years is actually the standard we see in both the United States and Australia, and I would argue it is essentially the gold standard worldwide, but it had not been considered in Canada. We were looking at a longer term.

Limitations on the terms of senators was a question that was asked in several different ways. What amending formula would apply to this kind of limit or that kind of limit on senators? What if it only applied to senators appointed in the future, or only to senators who had been appointed after the current government came to power or who had signed declarations indicating a willingness to step down?

Second, the Supreme Court was asked about consultative elections. What if the federal government were to sponsor consultative elections, meaning a kind of plebiscite among the people of the province as to who ought to be appointed on their behalf to represent them in the Senate?

Third, what about a federally sponsored framework under which provincial governments could enact their own legislation, which would be used for these consultative votes on who should be appointed to the Senate?

Then there was a question that related to the repeal of property qualifications to be appointed to the Senate.

Finally, the Supreme Court was asked about just abolishing the Senate. Could it be done under federal powers?

The Supreme Court responded to all these questions.

• (1835)

To explain what happens next, it is important to remind people that there is more than one amending formula for the Constitution of Canada. In this respect, we are not like the other great federations of the world.

The amendment formula for the U.S.A. is that if three-quarters of Congress and two-thirds of the state legislatures support a resolution to amend the Constitution, then that amendment will take place. The Australian system is that if there is a majority in a referendum in a majority of the states, then there can be a change to the Constitution.

The Swiss also have a consistent referendum system. A majority of cantons must approve it, as well as a national majority. Similarly, Germany is also a federation, as is Austria. They too have systems that have one amending formula.

However, in Canada there are five amending formulae. We have a system under which the federal government can unilaterally amend the Constitution, section 43 of the Constitution. Section 44 says that an amendment can apply to a single province. I am not working this through in the order in which they are stated. Section 38, the so-called general amending formula, says that certain aspects of the Constitution can be amended with the support of seven provinces having 50% of the population of Canada.

Another formula, the unanimity formula laid out in section 41 of the Constitution, says that for certain kinds of amendments, every province must give its consent. When I say “every province”, what I mean is every provincial legislature, so in practice a section 41 amendment has to be supported by all 10 provincial legislatures as well as the Parliament of Canada. For the 7/50 formula, seven provinces with 50% of the population must consent.

It is not always clear which amending formula applies to which aspect of the Constitution. There are a number of areas that are unclear, none more so than the Senate. What the Supreme Court did in its ruling earlier this spring was lay out which of the amending formulas applied.

The Supreme Court's opinion, right or wrong, is binding upon us. It turned out that the Supreme Court said that federally sponsored elections or federally administered elections, which is to say those conducted under provincial legislation that fits into the federal framework or those directly administered by the federal government, cannot be permitted. They are unconstitutional. The Senate cannot be democratized unless there is first a constitutional amendment that is approved by seven provinces and half the population of Canada.

### *Business of Supply*

With regard to limitations on the terms of senators, it said that a limitation cannot be placed on a senator and that if a senator has signed a declaration in advance indicating a willingness to step down, that declaration is of no binding force or effect unless there is first an amendment that is approved by seven provinces with half of Canada's population.

With regard to the question of repeal of property qualifications, right now there is a requirement that a person must own \$4,000 of real estate, a more significant amount in 1867 than it is today, in the province he or she is representing, or a leasehold to that value. The Supreme Court said that requirement can be abolished, but unilaterally. The federal government can actually pass an amendment in Parliament that will strike down that provision, but not with regard to Quebec.

In Quebec, there is a provision that one must own \$4,000 of real estate in the electoral district that a person is representing in the Senate. One of the quirks of the way the Senate is set up is that senators from Quebec represent districts that were outlined in the census of 1861 for the legislative assembly of the United Province of Canada, and those 24 districts were frozen in place at that time and continue to be represented. There are all kinds of oddities involved in this issue. Quebec was geographically smaller than it is today, so northern Quebec is not represented by anybody. The northern two-thirds of Quebec has no representation at all.

• (1840)

The districts bear no resemblance to population patterns in Quebec today. Rural districts have almost no population, vis-à-vis the Island of Montreal, which has dozens of federal ridings but, if I am not mistaken, just two districts. That is an accurate reflection of the population of Quebec in mid-19th century, but not today.

If we wanted to get rid of that and say that people just have to be a resident of Quebec and that they do not have to own real estate in that particular district, we could not initiate that amendment. We could initiate it, but we could not follow through. The Quebec National Assembly must also approve it. We could not do something as simple as that unilaterally.

Finally, the Supreme Court spoke on the issue of the abolition of the Senate. This is the proposal favoured by the New Democrats. What the Supreme Court said was that in order to abolish the Senate, an amendment approved by all ten provincial legislatures and both Houses in the Parliament of Canada is required.

What we are talking about here is zero funding, but taking away the funding for this institution demonstrates nothing anymore. The Senate is unreformed because the Supreme Court has said that we cannot reform it. We really cannot abolish the Senate unless we get the consent of every single provincial legislature.

*Business of Supply*

However, it is more complicated than that. In 1996, in the wake of the Quebec independence referendum that got a “yes” vote 49.3%, if memory serves, the Chrétien government introduced a piece of legislation known colloquially as the regional veto act. I am going to take a moment to read the relevant parts of this very small act. It is “An Act respecting constitutional amendments”, and it was assented to on February 2, 1996. It says:

Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:...

(1) No Minister of the Crown shall propose a motion for a resolution to authorize an amendment to the Constitution of Canada, other than an amendment in respect of which the legislative assembly of a province may exercise a veto under section 41 or 43 of the Constitution Act, 1982 or may express its dissent...unless the amendment has first been consented to by a majority of the provinces that includes

- (a) Ontario;
- (b) Quebec;
- (c) British Columbia;
- (d) two or more of the Atlantic provinces...[representing] fifty per cent of the population [of that region]
- (e) two or more of the Prairie provinces that have, according to the then latest general census, combined populations of at least fifty per cent of the population [in the Prairie region]

There we are. We have to have a majority in all of the regions before we can even introduce an amendment. This is significant because it means that we cannot initiate a proposal. A minister of the crown cannot stand up and propose to abolish the Senate or amend the Senate by making it more democratic, limiting terms, or getting rid of property qualifications unless the measure has first been approved by the government of a province. We are no longer able to initiate constitutional amendments under this legislation.

We could try repealing this legislation and then proposing an amendment to the Constitution regarding the Senate. However, right now that ability does not exist. While I understand the sincerity of the New Democratic Party members in their desire to remove the Senate, an institution that they regard as atavistic, the fact is that we are not in a position to make that change.

Ironically, they are in a position to make that change. No minister of the crown may make this change, but the member who proposed the opposition motion, for example, could, if he wished, propose a resolution to this effect. We could then see the start of some process, I guess.

If they are sincere about some kind of change to the Constitution of Canada, it is time for them to start demonstrating it by putting something forward. Alternatively, they have friends in provincial legislatures. If they feel it is something that should be started at a provincial legislature and then carried on through a different legislature to adopt the proposal to change or amend the Constitution regarding the Senate, they could do that.

● (1845)

The point is that the ball is in the NDP's court. It is not enough any more to repeat what I think has unfortunately become a mantra—the mantra being that the Senate should be abolished—and now when anybody suggests anything about legitimizing that body any other way, they kind of stick their fingers in their ears, start saying, “I can't hear you; I can't hear you”, and discussion ends. New Democrats have picked as their alternative, as the one they are so closely aligned

with, the single method that is the hardest to achieve. The fact is that all of these methods of changing and democratizing the Senate, making it a more modern institution, have all been blocked by the Supreme Court.

Was the court right in what it did? Was it wrong in what it did? I am not one of those legal positivists who believes that every time the court rules, the court is automatically right because the judges are my betters and know better than I do in all respects. The fact is that they have the final say. Therefore, their word is law and we have to accommodate ourselves to that reality.

The New Democrats have to accommodate themselves to that reality too, and it would seem most inappropriate, indeed, to withhold funding from an institution that we are not constitutionally entitled to change, on the basis that we think that institution is out of sync with modernity. It would be far more appropriate to try to find a way of helping to modernize that institution, and I look forward to any comments they may have as to how they would go about doing that.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, I have listened with fascination to my hon. colleague. He presents a very interesting point.

The point he made, though, that the Senate is unreformed as a result of the Supreme Court ruling, is correct. The question is: Is it unreformable? I am afraid he might have missed the point of the issue of finances tonight. We, in the democratically elected House of Commons, have brought forward numerous mechanisms to ensure accountability to the taxpayers of this country, such as spending limits, limits on flights, accountability, conflict of interest rules, which the Senate decides it is above. It writes its own rules. It worked under the gentleman's code, which we see has resulted in numerous police investigations, and we do not know the end of it.

Regardless of the larger constitutional question we face with the Senate, the fact is that it does not seem to believe it is financially accountable to the Canadian people. Senators give themselves credit cards to travel with, to make purchases and then argue about it later. It has created a culture not just of entitlement but, I would argue, of corruption that does not exist in the House of Commons because we are accountable to the Canadian people.

Would he not agree that how we hold the Senate to financial accountability is a discussion that needs to happen here in the democratically elected House? Would he not agree that, if the Senate is going to continue as this anachronism in the 21st century, there should at least be some comparable measures or standards, even if they are similar to what the elected House has, in terms of conflict of interest rules, spending rules, and justification of spending, it would be an important first step and it is within the mandate of this House?

● (1850)

**Mr. Scott Reid:** Mr. Speaker, I thought my hon. colleague raised quite a good point. There is the question of the internal reform of that House.

*Business of Supply*

I must say I disagree with one unstated component of his observation, which is that lack of financial transparency and accountability is an inherent feature of an unelected House. The moat-cleaning scandal in the British House of Commons demonstrates quite effectively that elected people can be quite outrageous in their use of taxpayers' funds when there is not proper accounting.

As to the point about the need for better transparency and accounting, I certainly agree that is true. My sense is that the Senate is working in that direction. Of course, it opened itself up to a very thorough audit, which is now going through all senators' expenses. I must say that seeing what is going on there is a good lesson to all of us that we ought to be very careful to adhere not merely to the highest standards that currently exist but to standards that might in the future be applied retroactively in the court of public opinion, so that even if one has not formally broken the rules, if one has violated what common sense would dictate ought to have been within the rules, one will face consequences in public opinion.

Certainly, the general observation that the upper House could use some internal reform is a proposition that is very reasonable.

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, as always, it is a great honour to stand in the House representing the people of Timmins—James Bay. The motion before us tonight is on the funding of the Senate. I will not go through the issues of the constitutionality of the Senate in light of the Supreme Court ruling because I do not know if that necessarily needs to be the issue before us tonight.

We are talking about whether or not this body, which was appointed through political favours and choices without any check or balance or any mandate from the Canadian people, has a fundamental accountability to the citizens and taxpayers of this country.

In the 21st century, I have a very hard time with the idea that an institution is above reform, that an institution cannot be reformed. To paraphrase G.K. Chesterton, the only thing worse than being priest-ridden was squire-ridden. I would say the only thing worse than being squire-ridden is being crony-ridden. This is what we have within this institution. It is an institution that sets its own rules, where people cannot be fired. That is a recipe for corruption and abuse.

This is not to say that there are angels in the House of Commons, certainly not. I would be the last one to say angels even set foot in this room, except perhaps the member for Sherbrooke, who I am certain is very angelic at all the best of times.

We have a mechanism within our impure democracy and in our impure democratic system that people can be removed if they abuse the public trust, because they have to go back and get that mandate from the voters, but that does not exist within the Senate. Therefore, the issue is how we, as the elected House representing the people, chosen by the people of Canada to represent their interests, are somehow to be subservient to another class of people who are above the interests of the Canadian people.

This is the time of year when there is all manner of school groups and tourists visiting Ottawa, and they hear the tourist guides who tell them the wonderful story of the Senate. They say that when John A.

Macdonald created the House of Commons, he had to create the Senate to protect the minorities, which is why we have a Senate that protects the interests of women, first nations, and people of colour. I hear that from the tourist guides, but that is not what John A. Macdonald had in mind as all. He was not worried about first nation people and women when he set up the Senate. Those were not the minorities he was talking about. He said there will always be more common people than rich people, so we need to protect their interests. Hence the Senate was born.

Since we did not have the long history of the squire system and the knight system and the duke system, we had to do something of our own and that was to pick cronies. People who flipped pancakes at political fundraisers and did the glad-handing for the parties were appointed to the Senate and they were appointed for life. It was supposed to be a chamber of sober second thought, but it has not worked out that way.

The Supreme Court at this point is telling us that this institution is still politically untouchable for overall reform, but it does not say anything about the fundamental need to establish an ethical and financial code of conduct within the Senate to make it accountable.

I have heard from members on the government side that the idea of cutting the funding is absurd and it would be a fundamental attack on the institution. Let them look at the Westminster tradition where members of the House of Lords get paid if they show up; they get a per diem. In the House of Lords it is an honorary position. If we voted for that it would not change the constitutional requirements of the Senate.

That is the background of the issues. I would like to speak about the fundamental lack of accountability. There are not many things on which I would say I have ever agreed with Conservatives in my entire life. I could count on one hand if I held down three fingers. However, the one thing on which I agreed with the Conservatives initially, before they went off the rails and lost their light in the path of darkness, was the issue of the Federal Accountability Act to try to bring an end of the years of cronyism and corruption that existed under the Liberal government.

• (1855)

At that time, when the Federal Accountability Act was first brought forward, there was talk with the members on the government side about the need to establish one set of conflict of interest guidelines that would keep both the House of Commons and the Senate under the same set of standards, but the Senate refused that. The Senate said no; it would not be held accountable to the same standard as the members of Parliament are.

We have Senate conflict of interest rules, with a Senate Ethics Officer, and I have \$100 for anybody who knows her name. They are like the Maytag repairmen; they never get out to check on ethical abuse. That is because they need permission. Senate ethics officers need permission from the senators before they can launch an investigation.

*Business of Supply*

Again, there is the lack of accountability mechanisms. Within the Senate, senators are able to sit on the boards of all manner of corporations. We see them sitting on the boards of telecommunications companies, banks, individual financial institutions, and pharmaceutical companies, and yet these are the people who are reviewing legislation and initiating studies.

Why buy a lowly politician, a lowly MP, or a lowly parliamentary secretary, when corporations can just appoint a senator to their board and nobody pays attention?

The senators, God love them, will say they only do these things in the interest of the Canadian people. They will say that the Senate code of conduct forbids senators from attempting to use their position to influence their private interests or their family members' private interests.

However, check out the Senate code of ethics, which is quite funny and should actually be a cartoon because none of it seems to make much sense.

Under section 14:

(1) If a Senator has reasonable grounds to believe that he or she, or a family member, has a private interest that might be affected..., the Senator shall...make a [oral] declaration regarding the general nature of the private interest [at the first opportunity].

Again, how many times has a senator ever stood up and made that declaration? It is almost non-existent.

Under section 15:

(2) A Senator who has reasonable grounds to believe that he or she, or a family member, has a private interest that might be affected by a manner that is before a committee of which the Senator is a member may participate in debate on that matter, provided that a declaration is first made orally on record.

Of course, if it is in camera, we will never know the difference.

I was looking into this issue of the lack of accountability of the Senate and the kind of corruption that has ensued. Most Canadians do not know how the finances are done. In the House of Commons, we have to purchase something and then submit the bill to the House of Commons. It will look at the bill and decide whether or not it gets paid. If it decides it was not within parliamentary business, the bill does not get paid.

Senators, on the other hand, give themselves a credit card. We have people who cannot be fired, who write their own rules, and as we have learned from the Duffy and Wallin scandal, it was an honour system, and they get a credit card on top of that.

I asked Canadians back home if they expected anything different from the likes of Wallin and Duffy and Brazeau, when they had their own credit card and could write their own rules.

There are many other loopholes the senators are able to use while sitting on the boards of major corporations. We know from the police investigation into Pamela Wallin that there were all manner of allegations about her flying across the country, doing private business, corporate interest business, and allegedly double-dipping, saying that she was doing Senate business at the same time.

These are the fundamental problems when there is no clear code of ethics. There are many loopholes.

Democracy is identified under section 13(2): Senators are allowed to be involved in discussion and votes in which their family members or the corporations they work for have a financial interest;

Under section 14(4): If a senator declares a conflict of interest at a behind closed doors committee meeting, that declaration will not be made public unless the committee agrees to it.

I already spoke about section 15.

Under section 26(d), senators are allowed to receive updates from trustees who manage their blind trusts.

Under section 30(2), senators are allowed to keep a secret bank account.

Under section 35, a statement of assets and liabilities of each senator is not easily available on the Internet; it is at the Senate Ethics Office in Ottawa. I am not sure if they have changed that. They were under pressure from the latest Senate corruption scandal and were looking at that.

• (1900)

Right now Mike Duffy is being investigated for fraud, but I would refer members back to the RCMP investigation into Raymond Lavigne, who was found guilty of fraud and kicked out of the Liberal caucus in 2006. He hung on in the Senate until 2011 before he finally decided it was time for him to go. He left because if he was convicted, he would lose his pension, and so he left voluntarily. Now Senator Lavigne has been put in the hoosegow.

If we look at the issues surrounding the Lavigne case of fraud, the RCMP raised all the red flags, which are being raised today, about the lack of financial accountability, the fact that Mr. Lavigne could call all the financial shots himself, even while he was committing fraud. There were no oversight mechanisms. This was known in 2006 and in 2011, but nothing was done about it.

Eric Berntson was found guilty of fraud in 2001. He resigned two years after being convicted. Michel Cogger was convicted of influence peddling. He resigned in 2000, two years after being convicted. We have the infamous Andy Thompson who became a senator and promptly moved to Mexico. He showed up 12 times in 7 years to make an appearance and let people know he was still a senator, while he lived on the beaches of Mexico. Hazen Argue was charged with fraud, theft and breach of trust.

Now this is not to say that senators are more naturally corrupt than elected members. The issue is that we have accountability mechanisms put in place to stop issues of corruption whereas the Senate has steadfastly refused.

The motion before us tonight is important because it is a question of whether the \$90-some million that is given to the Senate every year has any strings attached to it, that there is any accountability mechanism. My colleagues on the other side will jump up and down and howl at the most impoverished station in how they spend money, but we will give money to that Senate, no strings attached, when we know there is absolute corruption that has gone on, and when it refuses to set any standards of accountability.

*Business of Supply*

Mike Duffy received a \$90,000 secret cheque from the Prime Minister's chief of staff. What happened with that is fascinating, because under the Parliament of Canada Act, section 16, to offer money to a sitting senator is a crime. It is an indictable offence.

If we look at the ITO by Corporal Horton of the RCMP, the question that came up again and again was that this was a quid pro quo, and the quid pro quo was to whitewash the audit into Duffy's defrauding of the Canadian people. It is a very serious charge, because the people who sat on that audit committee, Senators Tkachuk, Stewart Olsen and Gerstein, were made aware, according to the RCMP, of this deal.

There were times in the investigation into Wallin and Brazeau when they were not even saying whether they were going to make the audit public. I find that staggering. The audit was about whether taxpayer money was used illegally to defraud people or to put favours to political senators, and that was not necessarily going to be made public from within the secretive institution known as the Senate in an attempt to whitewash it.

We know that when the original audit came out, there was no wrongdoing, but there was political pressure. They had to go back in and miraculously, with the same audit, found all manner of problems. Suddenly, Brazeau, Wallin and Duffy were made to walk the plank politically. This gets us back to the original problem. When we have a system that does not have accountability mechanisms, these things happen.

This is not to say that there not good people over in the Senate. None of them have a democratic mandate, but that is not to say that they are not fundamentally accountable to Canadians at the end of the day, even if they cannot be fired, even if they can sit there until they are 75 and even whether they show up or go off to live in Mexico and come by once a year to pick up a cheque.

Senators are still fundamentally accountable to the Canadian people, but the accountability does not come from them. We have seen their refusal to establish the conflict of interest guidelines that we have. We have seen their refusal to deal with the obvious lobbying issues in terms of senators sitting on corporate boards.

● (1905)

That accountability mechanism must come through the House of Commons. This is our job. Whether we agree on the Senate and whether we agree on abolition, we all have a common duty here to represent the hard-working people back home.

In my region of Timmins—James Bay, people are frustrated. They work really hard for what they have. I have seen more people working two jobs. I still cannot get over meeting a 68-year-old miner at the Tim Hortons in South Porcupine who told me he was going back to work underground because he could not live on his pension.

The government is telling our seniors that they are going to work until they are 67 now before they can collect that pension. That is okay if they choose to do that, but, again, if they come from a region where people do really hard work and they get worn out by the time they are 65, working until they are 67 is very difficult when their CPP is a maximum of \$12,000 a year if they do not have a pension. These people are paying for the largesse for the senators.

There is another mechanism that we have in Parliament. We are limited in terms of our travel. There is travel for committee work and for parliamentary work. However, the limits to choose where senators go and how they go does not seem to exist within the Senate. It is like a perpetual holiday, whatever they want to study, wherever they want to go. There is always the famous story of the senators who felt they needed to go to Mexico in January to study poverty. I would invite them to Fort Albany in January, they could have seen poverty there. However, no, they were on the beaches in Mexico in January at taxpayer expense.

I am asking the folks back home and I am asking my colleagues in the Conservative Party this. There needs to be a wake-up call to this institution because it has shown itself fundamentally defiant in the basic nature of reform. The senators think they are going to ride out this scandal. They have thrown Mike Duffy under the bus. They have tossed Patrick Brazeau overboard. Pamela Wallin has gone for the high jump. However, they will circle the wagons on the rest of them.

We will see, six years after Raymond Lavigne went to jail for fraud, that all the red flags that were raised about the spending mechanisms in the upper chamber will have been ignored. We can see from the Auditor General's report that all the red flags about their lack of basic controls on financial spending were ignored, which has led to this. This group of people believe it will ride this out again.

We can put up our hands and say that the Supreme Court told us it is not reformable, but the Supreme Court said nothing about holding it to account. The day we say that people who were chosen to sit for life above the Canadian people do not have any accountability to Canadian taxpayers would be a pretty sad day for Canada and for Canadian democracy.

I ask my hon. colleagues to think about this. I know they think this is brought forward every year and they see this as an issue that is somehow a joke to them, but I do not think it is a joke. The issue of accountability in the Senate is fundamentally an issue of representing and showing respect for people who pay the taxes for what we do here. People who are working very hard and getting very little back see the largesse that is happening in the Senate, with their credit cards, their flights. They see the fact that they are sitting on boards and doing all manner of business when they should be doing government business.

To the financial issues, we can have that discussion. If senators are only working here one-third of the time, then their flights should be a lot more limited than ours. We have to go home on the weekends to represent our constituencies because our constituents expect to see us. They do not expect to see the senators.

*Business of Supply*

Again, now that Frank Mahovlich is retired and Roméo Dallaire is gone, let us do another Trivial Pursuit question for folks back home. How many senators can they name? Excluding the ones that are under investigation for corruption, they cannot name them because the senators do not see themselves as accountable to those folks. They are accountable.

Tonight, let us put this out there. We need to start this discussion. If it is not about the abolition of the Senate, if it is not about changing the term limits of the Senate, it can be about establishing some conflict of interest guidelines, establishing some rules on lobbying and establishing really clear limits on this crowd of senators, who have been blowing through taxpayer money since John A. Macdonald, so they will finally be held financially accountable to the people of Canada.

● (1910)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, it is a bit much, listening to my colleague from the NDP benches talk about accountability, given the exercise I have had to go through in trying to ensure accountability of his own political party and his own leadership.

**Mr. Robert Chisholm:** That's comparable. Sure.

**Mr. Kevin Lamoureux:** Yes, Mr. Speaker, there are some comparable issues here.

I would point out two things. It has been a challenge getting the NDP members to accept responsibility and accountability for money they should seriously look at in the creation of their satellite office in Quebec, which was in clear violation of the rules. This is not just what politicians are saying. This is also coming from the administration. However, they have resisted any accountability on that issue.

On the issue of the Senate, my question for the member is this. Could he be very clear and indicate that for us to make many of the changes the NDP has been proposing for years, it would require the support of the provinces? Surely to goodness, the member knows that. However, he still wants to give the impression that he and the NDP have the power to reform the Senate without working with the provinces in a very tangible fashion. He might want to provide comment on that.

**Mr. Charlie Angus:** Mr. Speaker, I am so glad to be here on the night shift with my hon. colleague, who is sort of like the Ezra Levant of the Liberal Party when it comes to accuracy. I am certainly enjoying his attempt to go and burn the witches on the New Democratic Party's doorstep, but he just cannot seem to find the matches.

Therefore, I will do this lesson really simply. We are going to spell this out: G-o-m-e-r-y. The most corrupt government in history was the Liberals.

Let us talk about David Smith, appointed to the Senate for life, who runs the Liberals' campaigns. Let us talk about Keith Davey. Let us talk about all the Liberal senators who are trolling the country, raising money for them. Let us talk about Raymond Lavigne who is in the hoosegow. Let us talk about Mac Harb, one of the great Liberals. Mac Harb, who is also under investigation, was over in Bangladesh with his senatorial passport, working for Niko Resources

in what was one of the biggest Bangladeshi corruption cases ever. They said that he was a good Liberal. Imagine the bad Liberals if Mac Harb was one of the good ones.

**Some hon. members:** Oh, oh!

● (1915)

**The Speaker:** Order, please. I just want to point out to the House, there are seven minutes left of questions and comments. If members feel they have to say something, they should try to seek the floor and do it when they do have the floor and not interrupt members who are either asking questions or responding to them.

I will open up the floor now. Question and comments, the hon. member for Nanaimo—Cowichan.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, the member for Timmins—James Bay was in full flight there. I will give him an opportunity to continue that because what we have seen is a history of both Liberals and Conservatives appointing their cronies, their bagmen and women to the Senate.

Would he like to continue elucidating us on the numbers of people who have been appointed to the Senate and who simply do not do the job that Canadians expect?

**Mr. Charlie Angus:** Mr. Speaker, in fairness, and I think my hon. colleagues would agree, I do not think I have ever said anything nice about the Conservatives, maybe ever. However, every now then they get the issue that there is a problem over in the Senate. The party that does not, that refuses, that will stand up and say, "We will not allow you to insult these great Canadians", the people who created the corruption machine, is the Liberal Party. This is the Liberals' baby.

Therefore, when the occasional, part-time worker from Papineau comes into the House, what does he say? He says that he will fix the Senate by choosing better people. We will choose Liberals. Again, it is bad. It is good Liberals, it is better people. They see themselves as better than the rest of us. They see themselves as better than the average hard-working people who pay their taxes so that they and their cronies can travel around the world and go to their cocktail parties with the rest of the Laurentian crowd. Then they have the nerve to come in here and ask how we can even talk about financial accountability when it comes to the grand pooh-bahs who have made Canada the place it is.

**The Speaker:** I would give the floor to the hon. member for Bonavista—Gander—Grand Falls—Windsor, but I am worried that there are may be other conversations going on that might distract him. However, if I get the sense that things are calming over there, I will give the floor to the hon. member for Bonavista—Gander—Grand Falls—Windsor.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Mr. Speaker, I just have a quick question. The very nub of this issue is to deny the money that goes to fund the activities within the Senate. Does the member realize, too, is that it would also defund people who work for the Senate, and that many of the employees are unionized?

**Mr. Charlie Angus:** Mr. Speaker, that is fascinating. I thought that the only party that had any unionized staff was the New Democratic Party, so I am fascinated about the Senate.

The issue here is that this is a complete side issue. Notice that the Liberals are now suddenly defending the working people who had to carry the bags for Senator Mac Harb when he was going off on his international journeys as a lobbyist for Niko Resources. We are talking about holding that bunch to some level of financial accountability, but we never, ever hear a Liberal stand up and talk about the financial accountability of their cronies, because they filled that place with their bagmen and their operators.

This has been the system of corruption that they created. Now we have them standing up tonight and saying that they are suddenly concerned about the hard-working secretaries. My God. The gall.

**Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP):** Mr. Speaker, I have only been in the House for three years, so I have not had the opportunity to hear the member for Timmins—James Bay go on about this issue in the way that he has, and to clearly articulate what the problems are with the Senate. In this forum, we are talking about holding some accountability on \$92 million and the fact that not only will the government not respond, but the Liberal Party will not respond as to why Canadians deserve to have some answers and understand why we do not have a better sense of control over that \$92 million.

Could the member explain to us why these two parties continue to fight to protect the Senate and that \$92 million of taxpayers' money that gets flushed down the toilet every single year?

• (1920)

**Mr. Charlie Angus:** Mr. Speaker, I would like to thank my hon. colleague for understanding the fundamental issue before us tonight. We are not talking about defying the Supreme Court. We are talking about our job as the elected members of this House representing the taxpayers of this country to establish some manner of rules.

We have given the crowd in the so-called upper chamber 150 years to reform themselves. They refused. When the Accountability Act was brought in, they said that they were exempt from it. They limited the ability of the investigative officer, the ethics officer for the Senate, to even begin an investigation without their permission. That is how defiant they are. They believe that they are above us.

If we look at the House of Lords, they only get paid if they show up. They only get a per diem. That is not a bad model. That has nothing to do with the constitutionality of the Senate. We have to put the financial spending of the Senate on the table, because every Canadian has been told to tighten the belt. Every Canadian has been told that the cupboard is bare.

My hon. Liberal colleagues said nothing about the fact that the government is going after the pensions of civil servants, or the fact that people have to make their medical payments when they retire. The crowd over in the Senate—

**Mr. Robert Chisholm:** EI.

**Mr. Charlie Angus:** Mr. Speaker, EI. There was \$57 billion that the Liberals stole from hard-working people. They probably gave it to the Senate for all we know, because there is no accountability. That is the issue.

The bigger issue is the fact that senators can sit on the boards of all matter of corporations. Why waste money if people are lobbyists? Do not waste money trying to buy a lowly member of Parliament;

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just go and appoint a senator to the board of directors and get all of the august pooh-bahs of the great Liberal establishment to sit on all of those boards. They are in telecommunications, banking, and pharmacies. They have been doing it for years—

**The Speaker:** Order, please. We will move on to the next member.

Resuming debate, the hon. member for Bonavista—Gander—Grand Falls—Windsor.

**Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.):** Mr. Speaker, the issue here is regarding the votes in funding the institutions that we have in this country, such as the Senate in this particular case, and denying the funds. I questioned the member earlier about the money surrounding the support staff because that is a pertinent question. The vote we are having denies the funding of that institution. That includes not just the senators, but the support staff as well. I am not sure the member understood the gist of my question.

What was said about the behaviour of many of the senators, in many cases, yes, nefarious in many of these instances and I agree with his outrage in many cases. Is the Senate in a situation right now where it is becoming more accountable? Yes, it is, but we all are as parliamentarians.

The complaint was that some senators were out campaigning on public funds. Imagine that. That is a violation of the money that we are receiving here from taxpayers to do our jobs. We cannot take this money and go out and campaign. My hon. colleague who just spoke was in Labrador during the by-election. Perhaps he could explain to us how that was paid for, and several other members from the NDP were there. Were the flights and meals covered by the party itself? Just asking.

I would also like to talk about the Senate and the Supreme Court decision, but one of the things that disturbs me beyond the question that is being asked about the funding of the Senate itself is regarding the fundamental concept of the sober second thought, the original concept of the Senate way back when. I know my colleague from the NDP talked about it. It was originally set up to protect the rich. If we go to the *Debates*, yes, a lot of these upper-middle-class people comprised the Senate, but really it was about sober second thought and the binding of regions in a very large country. The regions being Ontario, Quebec, and the three Maritime provinces.

When we started with the Constitution there had been several amendments to the Constitution pertaining to many aspects of Parliament. How do we change the Constitution in the future? My Conservative friend from Ontario earlier talked about a concept of what is contained within the Constitution Act, 1982, sections 38 to 44, which talks about how we can change the Constitution pertaining to the Senate. Do we have an elected Senate or do we have an abolished Senate? I use those two examples for very good reason.

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The Conservatives want to have an elected Senate. I am sorry if I am paraphrasing too much. The NDP members want to abolish the Senate, which I do not think I am paraphrasing, I think that is about it. Fundamentally what the Supreme Court said was in order to do this, according to the Constitution and the federation that we are in, we need permission of the legislatures of each of the provinces in this country, along with Parliament's okay.

Earlier I talked about the NDP members getting rid of the Senate and that was not true. I was mistaken. They go way back. They talked about it from the very beginning even when they were the CCF. What I take issue with is that the concept of bringing the provinces into this conversation about getting rid of the Senate never took place. Where is the work to be done in order to abolish the Senate? I joked that for many members of the NDP it became a Twitter campaign, "let's abolish the Senate #disingenuous", but the problem is the work was not done.

● (1925)

I do not know of any conversation that the federal party has had with provinces to decide how to deal with the Senate, not just abolishing it but electing it, appointing it, nine-year terms, 13-year terms, all the concepts that were upheld by the Supreme Court in its recent decision. People were shocked and said they could not believe the Supreme Court would say that all provinces were needed to abolish the Senate. I am not a constitutional lawyer and I am not surprised that is what it said. Nobody was. It became a campaign in doing something that is just not possible to do.

Let us put aside the element of sober second thought and whether this is fundamental to our country. Provinces got rid of their senates, other countries get rid of their upper chambers, that is true, but in order to have that conversation in this country, it seems to me that the two parties never opened that conversation, never opened the idea of conversing about getting rid of the Senate or electing the Senate.

Every now and then there would be a musing from a province about what it wanted to do. The premier of Saskatchewan wanted to abolish the Senate. Why did he say that? I do not know. Certainly the NDP never asked. He just came out with it and volunteered the information. Other provinces had the same reservations. Other provinces wanted an elected Senate, but nobody was really engaged in that conversation whatsoever.

Let me return to what the Supreme Court said. For fundamental changes in the Constitution, how we change the Constitution, one says that we need seven out of 10 provinces that represent over 50% of the population. Ergo, we come into the idea of an elected Senate, or a consulted one, like how the Prime Minister consults with the public. What the Prime Minister wanted to happen was to allow the provinces to run these elections. I did not see any first ministers conference by the current Prime Minister, stating, "Oh, by the way, this is what we want you to do." Therefore, it was more of a conversation of, "We think this is a good idea. Now come on, you people, get on with it."

When the Prime Minister talks about starting a conversation with the provinces, he does not start conversations with provinces. He starts arguments with provinces. In this case, with the NDP, it is an ignored argument. It is an ignored conversation. It is one thing if

they were able to do it, if they were able to unilaterally make the changes of getting rid of the Senate and not bother talking to the provinces. That is one thing. Someone could call that being very brazen, to say the least, very arrogant, but they cannot even do that.

For years, was it not incumbent upon a federal party such as the NDP to even ask how it could do it? We always use the expression the ends justify the means. This end was not going to happen because the means would not justify it to happen. It is almost like the Constitution did not exist. It was like an imaginary piece of paper that hung on the wall like some kind of glorified magna carta that people looked at as some kind of map and said, "This is what we used to be." The Constitution is not what we used to be, the Constitution is what we are. It is a living, breathing document that we use to govern our country.

Ergo, in 1982, we received the Charter of Rights and Freedoms for that very reason. It was not just an add-on to say this is a nice thing to say, it was an add-on because the courts could use it, and we as legislators must adhere to it, which was illustrated by a few of their decisions recently, certainly in the past two years. That is why I say #disingenuous.

Certainly somebody in the party had to say at some point, "We can't do this". Therefore, what do we do? Now we are going to say, "Let's make sure the Senate does not get money in order to operate". What the hell is that going to do? Seriously. It gets to the point where it is like if we lose the game, we take our ball and go home, except we do not even go home, we just side on the sidelines and pout with ball in hand. "Fine. We are not going to give you the ball. We're going to sit here, but we're not going to give you the ball."

● (1930)

Sometimes debate in this House elevates itself to a level where it becomes informative. Then there is the debate that degrades itself into becoming absolutely ridiculous. It is the theatre of the absurd. If we want to make a statement, the statement was already said by them. Again, I acknowledge the fact that it is not a recent thing for the NDP/CCF. It goes way back. However, the question was always "what" as opposed to "how".

They knock our party for not having ideas on certain issues. This is the longest non-idea issue they have ever had. It absolutely is bereft of any road map, of any GPS, of anything. We are going to do this just because. I am going to take a long walk on a short wharf just because. I am not going to tell people how I am going to do it. It is just going to happen. It becomes this argument they put up every now and then based on the lowest common denominator.

They brought out the names of the people who cheated the Senate in the worst kind of way, and I agree with them that it was the worst kind of way. What happened was a dereliction of duty, to put it mildly, but it was also something that was an absolute disgrace for the Canadian taxpayer.

Recently there have been actions by all parties. Some people get in trouble and get ejected from caucus. That happens. It has happened recently to them. Would I disband the NDP? No. However, for some reason, they can take the lowest common denominator and extrapolate it to a solution, which is to just get rid of them.

They say it has no democratic value whatsoever, but actually, their idea of abolishing the Senate flies in the face of democratic values. If we abolish the Senate, a vote has to take place, not just in this legislature but also in 10 legislatures across this country. Each legislature of course has a mandate from the people. If the elected people of, say, the greatest province, Newfoundland and Labrador, bias accepted—

**Hon. Chris Alexander:** And the last province.

**Mr. Scott Simms:** Yes, Mr. Speaker, my colleague is right.

Let us say the people of Newfoundland and Labrador, through their elected representatives, the members of the House of Assembly, vote to keep the Senate. What would be the answer from the NDP? It would be “Sorry, too bad; unilaterally we do not care about your vote.” Let us assume that they want to do a referendum. Now we are talking. If that is what they want to do, to me that is the only thing I can see the NDP doing. My question is this. Would they have a referendum across the nation, like the Charlottetown Accord? According to the Supreme Court in its recent decision, they need unanimity to get rid of the Senate, unanimity of all provinces. Therefore, they have to have a referendum in each and every province.

**Mr. Kevin Lamoureux:** And pass them.

**Mr. Scott Simms:** Mr. Speaker, they would have to pass them, I might add. Good luck.

Mr. Speaker, the hon. colleague from Timmins—James Bay talked about one of the solutions in the House of Lords: they show up and they get a per diem. It is about time; it is an idea to change the Senate that could be feasible. It is the first time I have heard it in the 10 years I have been here. If they do not like them, they get rid of them.

They constantly go on about the corruption aspect of the Senate. As I said, the lowest common denominator that existed in there is absolutely deplorable. Deal with it, which is what we need to do with transparency. It could be something like proactive disclosure. Proactive disclosure goes further than what is required for transparency. We did it. The Conservatives did it. What was the last party to say no, it was not going to do that? It has not done it yet.

**Mr. Kevin Lamoureux:** They will accept it kicking and screaming.

**Mr. Scott Simms:** Right, Mr. Speaker.

• (1935)

They can practice what they preach, or they can just keep preaching. Either way, they are preaching from an empty book.

If we look at this argument about the Senate, again I go back to the fact that there was never a road map. There was never a way of getting rid of the Senate. There was a promise that abolishing the Senate would be taken care of.

As I mentioned earlier, one idea was brought up, and it was the first time I had heard of it. The Supreme Court, in its decision, said that there is a fundamental way to do it so that the federation is involved in the decision. The one thing that has to be done is that all the provinces have to agree to get rid of the Senate. Instead, what we

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got was that they could not do it, and therefore we should just give up on the argument. Let us just not bother.

What the New Democrat members are going to do today is vote to deny money going to Senate. Is it just me, or is that the first time that has ever been said in this House? I am just trying to illustrate the point here.

The New Democrats can lash out in anger in all different directions, madly off in all directions, I might add, but at the end of the day, if it is not feasible, it has fed into an untruth. If they want to have a conversation about the Senate, why do they start with an argument or a campaign or illustrate the most nefarious factor of an organization?

The New Democrats complained during many of the immigration bills brought in over the past little while. They said that what the Conservatives were doing was basing their theory, their logic, and their legislation on a small minority of bad things that happened. Is that not what the New Democrats are doing here with the Senate?

Let us assume for a moment that the Liberals want to either elect the Senate or get rid of the Senate. Let us assume that for a moment. At least we are starting with a conversation about how to change it to get the most nefarious factor, the lowest common denominator in the Senate, out.

However, we did not ignore the family. We did not ignore the people who built this nation, not just this House but 10 legislatures across this country that played a fundamental role in building this country, with provincial jurisdiction for health care, education, and other areas that are so vitally important. It is as if they did not exist altogether.

If that is the argument about the fundamental existence of the Senate, then surely there has to be room for a mature conversation about how we are doing it.

The Prime Minister tried to get around the fundamental elements, which were illustrated in the Supreme Court decision, of how to have an elected Senate. At least there was some element of trying to do something the Conservatives thought might fly. It did not work.

Now what we need to do is have a discussion with the provinces, which is fundamentally lacking in this House, about how we deal with the question of the Senate.

• (1940)

[*Translation*]

**Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC):** Mr. Speaker, I was very interested in my colleague's comments. I know that a lot of Conservatives, and perhaps members of other parties, are interested in Senate reform, including making the Senate more democratic with elected members and perhaps making it more representative.

May I ask the hon. member whether there has been any progress with the Supreme Court's decision and whether the road to Senate reform is now clearer?

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[English]

**Mr. Scott Simms:** Mr. Speaker, that is a good question. Has progress been made on all of this? I think it has. I say that because, in and of itself, the Supreme Court gave us our sober second thought on this. It is like a road map that did not exist, and now it is more illustrative. That is why the Prime Minister referred it to the Supreme Court, which we applauded, and now we have this. It is similar to the way the Constitution Act was reformed in 1982. It was not just the Charter of Rights and Freedoms. There were also fundamental ways to change our constitution. That too was a road map in 1982.

My Conservative colleague from eastern Ontario talked about what was done in legislation in 1996 with respect to a regional veto. Slowly but surely we are getting ourselves to a point where we recognize that we have a way of doing it now that is far more descriptive and far more necessary.

**Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP):** Mr. Speaker, I listened with interest to the member's speech. He spent a great deal of his time talking about the NDP and our approach toward reforming the Senate, abolishing the Senate, and changing the democratic process in this country to make it more accountable to the people, the people who pay the taxes and vote to make sure that the institutions are working for them. What I did not hear him talk about at all was what we are here to talk about tonight, which is why we should grant another \$92 million to the Senate, an institution that is utterly and inexplicably unaccountable. There was example after example given of the problems that arise when we do not have accountability mechanisms, where people run off with credit cards and are not held accountable for that.

I would like to ask the member this. Would he please explain to me and to the half a dozen people who might be watching this show why it is that he does not think it is important that the Senate be held accountable and that the government be held accountable for giving the Senate, an unaccountable body, \$92 million?

• (1945)

**Mr. Scott Simms:** Mr. Speaker, the member sold himself short. I do not think six people tuned in just because he got on. I think more people tuned in for that reason. I thought he did an adequate job.

The member complains that I am talking mostly about the New Democrats. I would like to remind him that it was their motion tonight. If the New Democrats put a motion forward, we should probably talk about them.

Let me get to the point. The member said I never talked about sending money—

**Mr. Robert Chisholm:** I'm not complaining about you talking about us. You can talk about us all you want. I just want you to focus on accountability.

**Mr. Scott Simms:** Mr. Speaker, I apologize to the member right now, because I feel like my speech is interrupting his heckling, but I will just proceed as best I can.

When I illustrated my point about the money, it was as if the member was not winning the game, so he took his ball and did not go home but sat on the sidelines and pouted a bit and decided not to send the Senate any money.

What happens to the support staff? What happens to the people who are unionized support staff, who would not get paid, thanks to this motion? This motion would deny good, hard-working, unionized employees their salaries. God forbid that this happens, but that is exactly what this would do.

I would say this to the hon. member. Let us have a mature conversation about the Senate and how we can change it, based on the rules that were just handed to it.

**Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.):** Mr. Speaker, I have been following this wonderful debate, and it is a very stimulating conversation. It brings a couple of thoughts to mind.

One understands that Canadians are not satisfied with the Senate as it is today, but we have to deal with what we have, what we are facing, and what exists within the machinery of government. We know that the Senate has the capacity to hold hearings on bills and make amendments to bills. That will not change. That cannot change without a constitutional conference and a constitutional amendment. If it is to fulfill the role of sober second thought, one has to assume that the Senate has to have research resources at its disposal so that it can come to proper conclusions about amendments the senators want to make to bills and so on. If the research budget of the Senate is cut, how would it be possible for senators to make the most informed decisions vis-à-vis legislation?

**Mr. Scott Simms:** Mr. Speaker, from the very origins of the debate about why the Senate exists, it is, as he points out, for that sober second thought. In order to provide that, and this is going to sound really bad, one has to be sober. Now, by "sober", I mean "learned".

One has to be sober and learned. What else is needed? One has to have \$4,000 in property. I know that.

Fundamentally, he is right in the sense that the Senate does have that function of sober second thought, as prescribed by the Constitution. The fundamental principles were that it has to provide sober second thought and it also has to reflect the regions senators come from. There is a regional balance that the Senate has attained. All this is done through the monies they are given in doing that.

Let me just end with this. The other day, a Vancouver NDP member praised Michael Kirby for his work. Members will never guess where his work was carried out. It was the Senate. He did a report on health care in this country that was adored by all Canadians, including health practitioners and health boards. He did it in the Senate. They even praised it.

**Hon. Gail Shea (Minister of Fisheries and Oceans, CPC):** Mr. Speaker, I certainly appreciate the member's comments on the Senate. The province of Newfoundland and Labrador has, of course, some very effective senators. Coming from a small jurisdiction as I do, we certainly appreciate all the representation we can get in the House here in Ottawa.

I do believe that transparency and accountability will happen in the Senate. It should have happened a long time ago, but I think it will happen as a result of all the current woes of the Senate.

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Given the political landscape, the province of Newfoundland and Labrador, for example, has no representative on the federal side of government, but it does have Conservative senators. I wonder if the member could comment, because he did say they are regional representatives. Does he see these senators having any role in benefiting their province?

• (1950)

**Mr. Scott Simms:** No, Mr. Speaker.

Well, here is the thing about it. If there is nobody at the cabinet table, here is an idea. It has been tradition to have the leader of the Senate present at the cabinet table.

Here is another suggestion. Maybe the Prime Minister should appoint one of the senators from Newfoundland and Labrador as leader to sit at the cabinet table. Maybe that is an idea.

However, from time to time I do see the senators going back and forth to Newfoundland and Labrador. I do see them at some events. They come with good backgrounds. I am going to be non-partisan about this. I have seen them do some good work. They have good backgrounds. I wish they could speak up a bit more, but I guess that is the fault of everybody in this place. We all feel we could speak up a bit more.

In answer to her question, I would say specifically that yes, I have had some good dealings with the senators from Newfoundland and Labrador, despite being Conservative or independent.

**Mr. Blake Richards (Wild Rose, CPC):** Mr. Speaker, I am pleased to have this opportunity tonight to speak to the proposal by the member for Winnipeg Centre to oppose Vote No. 1—Parliament, to provide the program expenditures to the Senate in the amount of \$57,532,359 in the main estimates.

My remarks, I should say off the top, should in no way be confused as a ringing endorsement of the status quo in the Senate. Our government has consistently tried to reform the Senate while always recognizing the important role the Senate plays in our parliamentary system. That recognition is in direct opposition to the views of the sponsor of this motion, whose party would like to summarily abolish the institution. That is what the motion of the member for Winnipeg Centre would effectively do by depriving the Senate of the resources it needs to function.

Our government has always believed that while the Senate plays an important role in our parliamentary system, it needs to be improved to better serve Canadians in the way it was originally conceived.

A review of our government's record since taking office in 2006 demonstrates not only our government's commitment to Senate reform but also our flexibility in accommodating different views about Senate reform.

Legislation was first introduced in the 39th Parliament in April 2006 to limit Senate tenure to a period of eight years. Bill S-4 at the time proposed to amend section 29 of the Constitution Act of 1867 to limit Senate tenure to a renewable term of eight years and to remove mandatory retirement at 75 years for new senators coming in.

Also in the 39th Parliament in 2006, our government introduced Bill C-43, the Senate appointment consultations act. That was a bill that would have provided for a national consultation process through which Canadians would be consulted on their choice of candidates for appointment to the Senate. That was obviously modelled after efforts made in my home province of Alberta, where we had undertaken any number of these consultations in the past and where we had senators who were essentially elected by the people of Alberta. It was modelled after that particular idea, the innovative approach taken by my home province of Alberta. Unfortunately, as with the term limits bill, the opposition parties refused to support these important reforms.

In the second session of the 39th Parliament in 2007, our government introduced Bill C-19, an act to amend the Constitution Act, 1867 (Senate tenure), here in the House of Commons. Bill C-19 proposed to limit Senate tenure to a period of eight years, the same as the bill we introduced in the Senate a year earlier. However, there were a couple of important modifications.

First, while Bill S-4 did not expressly forbid the possibility of renewable terms, Bill C-19 did in fact expressly provide for a non-renewable term.

Second, Bill C-19 contained the provision to permit a Senate term to be completed after an interruption. An example would be a term interrupted by a resignation. Despite these changes and our government's determined effort to bring change to an institution that had remained largely unchanged since 1867, the time of our Confederation, the opposition parties steadfastly refused to support our legislation.

Then, of course, our government was re-elected in 2008 with a mandate to reform the Senate, and we went to work on that. In the 40th parliament in 2009, our government introduced Bill S-7, an act to amend the Constitution Act, 1867 (Senate term limits). It was introduced in the Senate, and it included two key changes.

• (1955)

The first was the idea of eight-year term limits. That limit would apply to all senators appointed after October 14, 2008, with the eight-year terms beginning from the time that the bill received royal assent. Then, of course, the retirement age of 75 years would be maintained for all senators. Once again, even this modest but important reform was opposed by the opposition parties.

In 2010, our government introduced Bill S-8, the senatorial selection act. It was a bill to encourage the provinces and territories to implement their own democratic processes for the selection of Senate nominees. It would have democratized the Senate and provided an opportunity for the provinces and territories to implement the processes to enable that to happen. This act included a voluntary framework that set out a basis for provinces to consult with voters on appointments to the Senate going forward.

We all know what happened there: the opposition parties refused to support that reform too. Is anyone sensing any kind of pattern here?

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That year our government also reintroduced the Senate term limits bill, Bill C-10. That bill died on the order paper upon the dissolution of Parliament. Can we guess why? It was due to a lack of will for reform from the opposition parties once again. They refused to support any idea of reform in the Senate.

Canadians gave another mandate to our government in the election of May 2011 to again make changes to the Senate. A month and a half later, on June 21, 2011, our government introduced Bill C-7, the Senate reform act. Members can probably imagine where this is going. Bill C-7 would have implemented a nine-year non-renewable term for senators. That goes back to the point I raised earlier about being flexible and accommodating. Some concerns had been raised about the eight years, so we went for a nine-year non-renewable term.

As well, that bill would have once again enabled a voluntary framework for the provinces to implement Senate appointment consultations. Processes were put in place for that. As with all the other times, the opposition parties still would not change their minds. They refused to support meaningful Senate reform.

Throughout all of those debates on the Senate, time and time again our commitment to reform was crystal clear, as was our recognition of the value of the Senate in our parliamentary system.

Our commitment to reform was also demonstrated by a reference to the Supreme Court of Canada on Senate reform that our government launched in an effort to clarify questions about the constitutionality of legislation that we brought forward. While we were obviously disappointed by the court's decision, it is unfortunately one that all governments will have to respect going forward.

However, the court's opinion does not in any way change our view that improvements to the Senate are needed, nor does it change our view about the value the Senate can play in our bicameral legislative system. My hope certainly remains that reform will be accomplished at some point in the future.

In the meantime, there are other ways of improving the operation of the Senate, as demonstrated by the measures that the Senate itself has initiated to improve transparency and accountability with regard to its expenses.

The Senate plays a key role in the review of legislation. My Liberal colleague across the way can debate what sober second thought means, but he was right that this idea of sober second thought is a learned opinion of second thought. That is something the Senate provides, and it has resulted in improvements to legislation in the past.

● (2000)

The Senate also plays an important role in its committees in the investigation of issues of importance to Canadians. Certainly, the committees, as has been mentioned already in the debate this evening, have produced comprehensive reports. They have produced many, in fact, that have proven to be of tremendous value to the debate and to learning and understanding here in Parliament and throughout Canada. The Kirby report on mental health was an example of that. There was a study done by the national finance committee in the Senate on the price gap between Canada and the U.

S. Again, the national finance committee looked studied the elimination of the penny. I could go on and on, citing reports that have been helpful and that have come from the Senate.

There is no doubt that, while the Senate is one of our key institutions here in Parliament, it has been hampered in its role by the lack of accountability that we have seen. There is no question. This lack of accountability has, in turn, been created by the lack of a democratic basis to the system of appointments. Despite the best efforts of most senators and the good work that does get done, some have questioned the legitimacy of the Senate because it lacks that democratic basis.

As I said earlier, I personally do not question the work of the Senate. However, clearly the events of the past year or so have fairly resulted in some damage to its reputation. While we agree about the need for improved accountability, and there is no question that it is needed, we do not believe that the solution is to remove the Senate altogether from our parliamentary system. Rather than destroy the institution and the valuable role it does and can play, we continue to believe that it can be improved and that it can continue to function as one of our key institutions.

Clearly, the recent decision by the Supreme Court on the Senate reform reference has changed the outlook considerably on the reform front. However, improvements can still occur, and the Senate itself has been a leader in that regard over the past year. The Senate has an important role to play in making the improvements. That it has the responsibility to regulate its own affairs is the prime reason for that.

I would draw to members' attention section 33 of the Constitution Act of 1867, which says:

*If any Question arises respecting the Qualification of a Senator or a Vacancy in the Senate the same shall be heard...by the Senate.*

The Senate has made some progress in dealing with the issues it has faced in this area of financial accountability and transparency. Much of the progress has been the result of the investigations carried out by the Senate Standing Committee on Internal Economy, Budgets and Administration. As a result of that committee's recommendations, the Senate has adopted new administrative rules to render the reporting system more transparent and to tighten the requirements that senators must meet in filing their expense claims. Some senators have been required to reimburse the Senate for expenses that were considered to be improperly claimed.

The Senate has also asked the Auditor General to conduct an audit of Senate expenses, which will take place in the months ahead. The Senate has also acted by suspending several senators without pay or without access to Senate resources. It seems as if the Senate is taking these matters into its own hands, as it should. Our government has encouraged the Senate to address these issues, and it supports the progress that has already been made.

Since 2006, our government has made a number of attempts to reform the Senate, as I have outlined throughout my remarks here this evening, and as I have indicated, the opposition parties have continued to stand in our way every single time. We as a government continue to believe that providing a democratic basis for the Senate would be a vast improvement and that it would in turn improve accountability.

*Business of Supply*

• (2005)

Our reform efforts, of course, culminated with the introduction of Bill C-7, the Senate reform act, in the last Parliament. Bill C-7 would have introduced non-renewable terms of nine years and provided for a voluntary framework, which provinces and territories could use as a basis to consult their populations on their preferences for Senate nominees, again, as I have indicated, much like what has been done in my home province of Alberta many times. It has produced some great senators, some senators with democratic legitimacy and accountability. The ideas in Bill C-7 were real and concrete measures to reform the Senate.

Unfortunately, our efforts to move those important reforms forward came to an end with the release of the Supreme Court's decision on the Senate reform reference. The fact that in that reference we included a question on abolition was not in any way an indication that our government favoured abolition as an instrument. Our first choice has always been the introduction of reforms that would enhance the Senate's democratic legitimacy.

The Senate certainly has an important role to play in our system. I believe that abolition would remove an important player in the parliamentary system and would leave a huge hole in the legislative process, and for no good reason. Those who know even a little about our system of government, just a bit, know that the Senate has an important role to play in our system, despite what opposition parties may have tried to claim. The Senate's role in the legislative review process is invaluable to our system. We need to continue to provide the Senate with the resources it needs to function effectively.

Of course, we expect the Senate to treat those funds with respect. There have been a number of rule changes designed to ensure that is what is happening. However, we cannot simply remove the entire allocation to the Senate. As I said, we have brought forward a number of suggestions and bills, both in the Senate and in this place, seeking to provide the reform, to create the democratic legitimacy, and to create the accountability that we believe is necessary in the Senate. As I have said, every single time, time and time again, those measures and those attempts to make the reform were blocked by the opposition parties. They would not support anything we tried to do in terms of reform. We brought forward a number of different proposals. We were willing to be flexible, we were willing to be accommodating, we tried different approaches, and we did everything we could to see that reform come to fruition, but the opposition parties refused to allow reform to happen, every single time.

As I have indicated, we understand that there have been some issues with regard to expenses and whatnot in the Senate over the last year or so. There is a need to address those issues and create better accountability. As I have said tonight, there have certainly been efforts undertaken in the Senate itself to try to accomplish those things, and we continue to encourage and support that. We know that reform is something that needs to happen some time in the future. Hopefully, we will get some recognition of that from the opposition parties at some point in time. We can keep trying and hoping, but what we cannot do is simply remove the entire allocation from the Senate and pretend it never existed, and that is what is being proposed here tonight.

I cannot support the proposal by the member for Winnipeg Centre to oppose this allocation of the resources to the Senate, which is clearly a thinly disguised attempt to abolish an institution that fills an important function in our legislative process.

• (2010)

[*Translation*]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, I would like to thank my colleague for his speech tonight on the Senate. I am hearing conflicting messages from the Conservative member about the other messages from his party and his Prime Minister. The Parliamentary Secretary to the Prime Minister is sending different messages. I would remind the hon. member that in 2004, the Prime Minister said, "I will not name appointed people to the Senate".

**An hon. member:** Who said that?

**Mr. Pierre-Luc Dusseault:** The Prime Minister said that on March 14, 2004, Mr. Speaker.

He also said on December 14, 2005, that an appointed Senate is a "relic of the 19th century".

The hon. member talks about reform and says that the Conservative Party has always wanted reform. How is it that the Conservatives have been talking about reform since 2004 and yet nothing has happened? They have not come up with anything. How does the hon. member expect us to believe now that the Conservatives really want to bring in reforms when they have been telling us for 10 years that they are going to do this?

The Parliamentary Secretary to the Prime Minister often said that if reform was not possible, they would abolish the Senate. Everyone will remember that the Parliamentary Secretary to the Prime Minister repeated that message.

When will reform no longer be possible and when are they going to abolish the Senate?

[*English*]

**Mr. Blake Richards:** Mr. Speaker, I find it unfortunate that the member chose to very selectively listen to the comments I made. I made a number of comments, and what I did was very clearly lay out exactly what has transpired since our government has taken office. We have always believed there is a need to reform the Senate. We believe it has an important role to play in Parliament, but there does need to be reform in the Senate. I have outlined throughout my remarks this evening all of the attempts we have made to try to create that reform, to create a democratic process that is a voluntary one for the provinces and territories to be able to choose their senators.

We have made attempts to put in term limits and there were a variety of reforms, but guess what? We have been unable to make those changes because the opposition parties have failed to support any of those changes. It is unfortunate that the member stands and tries to cast aspersions on our idea of reforming the Senate and how important we believe that reform is, because members opposite have blocked every single attempt we made to try to create those reforms. The fault lies squarely over there.

*Business of Supply*

● (2015)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, actually the member is wrong. It is not because the NDP does not support the Conservative government's reforms; it is because the Prime Minister has failed to understand that in order to have the types of reforms the member is talking about, unfortunately from the Prime Minister's perspective, that obligates him to work with the provinces. He would have to get the provinces onside. The Prime Minister can stand on his pedestal and say whatever he wants, but until he recognizes that he needs to meet with all of the premiers and get them onside and maybe even do some consultation with Canadians, his position is not that much more tangible than what the NDP members are proposing to do.

Could the member tell the House how many meetings the Prime Minister has had with any of the premiers in regard to Senate reform?

**Mr. Blake Richards:** Mr. Speaker, I find it highly rich to hear a Liberal member stand in the House of Commons and talk about Senate reform. His leader's contribution to the idea of reforming the Senate is to take all the Liberal senators and turn them into Senate Liberals in some kind of publicity stunt. That is all it really was. Then on top of that, the member's idea to try to further reform the Senate going forward is to appoint people to appoint the senators. That seems a lot more democratic. I am sure that would make the Senate far more democratic. If his leader were to appoint some people who would then appoint senators, I think that would make it much more democratic.

I think it should be made clear that the sarcasm was evident in those comments. I do not know if the member thinks, like his colleague from Scarborough—Guildwood, that it was a bozo eruption from his leader or if that was a legitimate proposal, but certainly appointing people to appoint senators would not do anything to create more democratic legitimacy in the Senate; that is for sure.

**Hon. Michelle Rempel (Minister of State (Western Economic Diversification), CPC):** Mr. Speaker, first of all, I believe the topic of Senate reform is one of worthy debate, and I think it is wonderful that we are having that debate here tonight. However, the form and substance of the motion ahead of us talks about whether or not we should be providing funding to the Senate in the upcoming year.

Now, if one would search of the Parliament of Canada website under "how a bill becomes a law", one would read that it is first passed through one House and then passed through a second House. This implies that in order to pass legislation, we need the Senate to review it under the current constitutional processes.

If I understand the form and substance of the motion correctly, the NDP is asking us to shut down the House of legislation, which would allow bills, such as the one proposed by the member for Timmins—James Bay that passed this House, to stall and completely shut down the entire legislative process in this country.

Could my colleague possibly comment on the utility of that motion, as well as the possible outcomes and effect on the average Canadian citizen of shutting down the legislative process in this country entirely?

**Mr. Blake Richards:** Mr. Speaker, the minister certainly makes a very good point.

We all know what NDP members have as their agenda. We know the member for Winnipeg Centre is no stranger to what we would call a cockamamie stunt or scheme.

The member is right, to pull the funding allocation for a legislative body in this Parliament would shut it down completely. In order to reform something, one has to make concrete proposals and changes, which is something that our government has brought forward and tried to do, with opposition every step of the way from NDP members.

**The Acting Speaker (Mr. Barry Devolin):** The hon. member for Timmins—James Bay is rising on a point of order.

**Mr. Charlie Angus:** Mr. Speaker, I am afraid my hon. colleague does not understand how this works. We are not talking about the \$34 million to the Senate, which is not under the purview of the House, and so it would continue to carry on its ability to do its function. We are talking about the portion that belongs to the House of Commons, the \$57 million. My hon. colleague needs to have a better sense of how parliamentary procedure works.

● (2020)

**The Acting Speaker (Mr. Barry Devolin):** The Chair always appreciates the advice of hon. members in this place. With respect to this matter, all hon. members will know that there is a responsibility to remain relevant to the business before the House, but at the same time, a significant amount of latitude is given to members in terms of presenting context or related facts.

With that, I will go back to the member for Wild Rose.

**Mr. Blake Richards:** Mr. Speaker, it is unfortunate when points of order are abused to try and carry on debate.

However, what the NDP is proposing to do here, there is no question, would obviously cause significant issues in our Parliament.

If the NDP members want to put forward Senate reform proposals, they should put forward a proposal. We have done that a number of times, but they have opposed that every chance we have given them. Trying to do something through the back door in this kind of way is just another example of the NDP amateur hour. It is certainly not a party that could be credibly considered as a governing alternative in this country in any way.

[*Translation*]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, I am very happy to speak to the main estimates this evening and specifically to the Senate appropriations. Before I go into more detail about the subject at hand, I have to say that I will be sharing my time with the member for Brome—Missisquoi, an outstanding member whose riding is near Sherbrooke.

*Business of Supply*

My colleague from Timmins—James Bay already mentioned one of the important points I wanted to raise: the difference between voted and statutory appropriations. Both Conservative and Liberal members have a hard time telling the difference between the two. There is a fundamental difference between appropriations voted here in the House and statutory appropriations. As my colleague said, the government allocates \$58 million for voted appropriations—I rounded the number, obviously—and \$34 million for statutory appropriations.

I just wanted to set the record straight before getting started. The few people who spoke before me seemed to have a hard time telling the difference between these two kinds of appropriations, a difference that is nevertheless very clear when we look at the voting process for appropriations in the House.

The Senate will cost \$92.5 million, which is more than in past years. The main estimates list the previous year's spending and the forecast spending. From 2012-13 to 2013-14, Senate spending increased by about \$3.8 million, or nearly \$4 million. In contrast to all of the government departments and agencies that are tightening their belts at the behest of the Conservative government, the Senate has been increasing its budget year after year. The Treasury Board is asking all government departments and agencies to cut spending, but the Senate is making no effort to spend less. It is a shame that the Senate is once again taking advantage of this money to make expenditures that could be described as hard to justify. Later on, I can comment further on everything that has been going on in the Senate recently.

Before I begin, I would like to put some numbers in perspective. What does \$92.5 million represent? It represents the taxes paid by 8,000 families who are footing the bill for the Senate. Another significant fact I would like to point out is that the Prime Minister promised he would not appoint any unelected senators. That was back in March 2004. How many senators have been appointed since then? More than 57. If my math is right, the total is now 60.

The Prime Minister also said that an appointed Senate is a relic of the 19th century. However, senators are still being appointed. As I said, the Prime Minister appoints senators every year. It is interesting to look at who is being appointed. A former campaign strategist, a former president of the Conservative Party, party fundraisers and failed Conservative candidates have all been appointed. There are very recent examples of this, dating back to just 2011. Conservative candidates who did not win the election were then appointed to the Senate. That is quite the gift. It seems that Conservative candidates who lose an election can get a gift from the Prime Minister and be appointed to the Senate, where they can remain until they are 75 and pocket all the money that comes with that, obviously.

Meanwhile, the third party and the government are trying to sell us nice ideas about how the Senate is a place for sober thought and reflection. I believe the Supreme Court ruling referred to a chamber of "sober second thought".

● (2025)

For the last little while, members have been trying to convince us that the Senate engages in sober second thought, when most of the senators, who have been appointed by either a Liberal or a Conservative prime minister, are people who have close ties with

the party and obey their prime minister. That is therefore not true. No one can convince me this evening that the Senate is a chamber of sober second thought. I think those are the words the Supreme Court used. In reality, senators are controlled by the Prime Minister's Office, whether the prime minister is Liberal or Conservative.

Here is another interesting statistic about appointed senators. To whom are they accountable? I do not think they are accountable to the public. In fact, 51 of the 57 senators appointed by the Prime Minister made donations to the Conservative Party. I would like to believe that this is just a coincidence, but I have my doubts.

This brings me to the topic of the people to whom senators are accountable once they are appointed and they arrive in the other chamber, where they can remain until they are 75. To whom are they accountable?

It is a valid question. We may ask to whom they are accountable if, for example, a senator is involved in misconduct, has acted badly or has incurred inappropriate expenses. I do not think I have to go on at length about senators' expenses. Everyone watching at home knows what I am talking about.

Senators are paid by taxpayers, and it takes 8,000 Canadian families to pay the Senate's bills. To whom are senators accountable, then? They are accountable only to the prime minister who appointed them.

That really is true. In theory, one could argue that it is not the case, that they are free to think and act as they want and that they are not accountable to the prime minister.

However, in fact, senators are accountable to the Prime Minister's Office only. We saw that during the Senate scandal. The Prime Minister's Office exercises immense control over the senators, including the leader of the Senate, who, if I am not mistaken, meets regularly with the Prime Minister. We have also seen how certain tactics that were used in the upper house were directly linked to instructions from the Prime Minister.

Do not try to convince me that the Senate is a chamber of sober second thought. Only one person controls it all: the Prime Minister and the people in his office.

Do not try to tell me I should believe the Conservatives, either, when they talk of reforming the Senate. They have been promising to reform it for more than 10 years. The hon. member for Wild Rose said that it was the opposition's fault that the matter has been dragging on for 10 years.

The only person to blame is the Prime Minister, because, in his vision of Senate reform, his only intention was to avoid talking to the provinces. The only thing in his mind was to get his reform through without having to talk to the provinces.

As a result, the only person to blame if there has been no Senate reform for 10 years is the Prime Minister. He promised reform, though. He never wanted to consult the provinces. He always wanted to do it all by himself without ever consulting, and the Supreme Court told him that things do not work that way.

*Business of Supply*

• (2030)

**Mr. Pierre Jacob (Brome—Missisquoi, NDP):** Mr. Speaker, I thank the member for Sherbrooke for the excellent job that he does on a daily basis for his constituents.

The Conservatives and the Liberals swear, with their hands on their hearts, that they want to change things, but at every opportunity, they vote for the status quo.

In his view, why does this happen?

**Mr. Pierre-Luc Dusseault:** Mr. Speaker, I thank my colleague for his question. Indeed, the great defenders of the status quo are the Liberals.

The Conservatives have been swearing to us for 10 years that they want to reform the Senate. However, we might think that they are also in favour of the status quo, given their poor results since they first promised to reform the Senate.

The only ones who do not want to change anything are the Liberals, with the exception of the Liberal senators, or rather the senators who are Liberal. That is the big Liberal reform.

In my view, the Liberals are advocating for the status quo. They might provide explanations, but the fact is that they do not want to change anything. They let scandals come and go and tell themselves that there are no problems. They do not see the need for reform. According to them, everything is perfect. The only thing that is going to change is that the Liberal senators will now be called “senators who are Liberal”. That is the big Liberal reform.

[English]

**Mr. Dan Albas (Parliamentary Secretary to the President of the Treasury Board, CPC):** Mr. Speaker, I would like to ask a question in regard to consultation.

The member is critical of the government for not consulting. The Supreme Court of Canada issued a ruling earlier, and part of that process was that the Province of Quebec gave its view as to what Parliament could do unilaterally and gave its view that Bill C-7 could not proceed without provincial consent.

Now, the member for Winnipeg Centre has put forward a motion that we are debating right now that basically does the same thing, an end run and shutting down the Senate by defunding it. Did this member write or call anyone from the Province of Quebec to consult? Does the member know if the NDP consulted with anyone on this particular motion tonight?

I would like to hear the member answer, yes or no, and outline whether it was a letter or a consultation with the Province of Quebec.

[Translation]

**Mr. Pierre-Luc Dusseault:** Mr. Speaker, I would like to thank the hon. member for his excellent question.

If he had listened to one of my very first remarks, he would know that consultations were not necessary because today's debate is about the \$58 million in funding that has already been voted. Parliament does not have the right to question statutory appropriations.

This motion is designed to make those in the other chamber aware that they will have to improve accountability in the short term. We

have a different long-term vision for the Senate. However, for the time being, the senators need to be more accountable to Canadians, including the people of Sherbrooke, for the \$92 million that they are given each year.

We did not need to hold consultations because the motion is designed to take \$58 million away from the Senate. It will still have \$34 million. The Senate will exist in the short term, even though that is not our goal in the long term. This will send a clear message to the Senate that it needs to be accountable so that Canadians know that their money is being spent in a transparent way. That is basic when an institution is spending taxpayers' money.

• (2035)

**Mr. Pierre Jacob (Brome—Missisquoi, NDP):** Mr. Speaker, this evening I will be talking about the main estimates. The government keeps talking about how it wants to shrink the bureaucracy and save taxpayers' money.

Well, the NDP has a solution that will help the government save \$90 million per year. The money saved could be used to enhance the programs we have been talking about this evening.

How would the NDP save \$90 million? Well, it is very simple. We would abolish the Senate, which is an archaic and undemocratic institution. Why are we paying \$90 million per year for an institution made up of unelected members who are accountable to nobody?

Since 2011, 369 residents of Brome—Missisquoi have written to me about the Senate or have signed a petition calling for the Senate to be abolished. I am speaking on their behalf this evening.

Canadians work tirelessly to make ends meet, but the senators sit only 70 days a year. They are only asked to work three days a week, and that is when they even bother to show up for work.

In 2005, the Prime Minister said that the Senate was a relic of the 19th century, but since 2006, he has appointed 57 new senators, 51 of them former Conservative Party backers. Senators are completely unaccountable. They represent only the party that appointed them. They do not represent their regions or even the Canadian people.

It seems to me that, over the years, the Senate has turned into a gang of publicly funded lobbyists disguised as provincial representatives.

On April 18, 2014, the *National Post* reported that one-third of senators hold positions on either public or private boards of directors. Thirty-four of the 96 senators are board members. According to the *National Post* analysis, senators earn a lot of money from their membership on boards.

I would like to know how they can wear so many different hats at the same time without being in conflict of interest. Senators sit on boards of companies in financial services, mining and energy, and real estate. This makes me wonder how impartial they really are when they are debating our bills.

*Business of Supply*

Let us not forget that, in November 2010, under a minority government, the NDP passed Bill C-311 through the House of Commons. That bill would have reduced greenhouse gas emissions to below 1990 levels. That was a much more ambitious target than the one the government announced at the Copenhagen summit. The bill was passed by elected representatives in the House of Commons and killed by the Senate.

When asked to justify this strategy, the Conservative Senate leader at the time retorted that the government, which did not support the bill, was not going to miss an opportunity to get rid of it.

One of my colleagues introduced another bill to protect transgendered people, which was passed by this House in April 2013 and is currently being held up in the Senate.

The Senate has never had a problem quickly passing the omnibus bills that this government pushes through here with its majority and time allocation motions.

What other bills passed in the House will the Senate kill in the future?

The NDP has long been calling for the Senate to be abolished. Originally, the Senate was designed to be a chamber of sober second thought. It has become a haven for donors, fundraisers and other friends of the Conservative and Liberal parties.

• (2040)

Canadians are becoming increasingly frustrated with the scandals in this undemocratic, unelected Senate that is currently under investigation. The senators continue to abuse Canadians' trust. That is why now, more than ever, this antiquated institution must be abolished.

We are not the only ones who want to abolish it. Manitoba and Quebec got rid of their senates many years ago. Their unicameral legislatures work just fine. People in New Zealand did the same with their upper chamber. Saskatchewan MLAs recently adopted a motion to abolish the Senate. I remind members that Saskatchewan has a Conservative premier.

Here in Ottawa, the Conservatives and Liberals refuse to take action. The NDP has proposed some practical solutions to make the Senate more transparent now, such as the following motion:

That all funding should cease to be provided to the Senate beginning on July 1, 2013.

The Liberals voted against this motion. Then, in the fall, we moved a motion to make the Senate more accountable to Canadians. The NDP was optimistic that the old parties would reassess how they use the Senate and support our motion. Our measures would have prevented senators from participating in partisan activities and using taxpayers' money to participate in activities that are not directly related to their parliamentary work.

The outcome of the vote on that motion shows that they are all talk and that transparency and accountability are not really that important to them. It was particularly disappointing to see the Liberals join forces with the Conservatives to defeat this motion. The Conservatives and the Liberals keep swearing that they really want

to change things, but as I said, they vote for the status quo at every opportunity.

Canadians now know that the NDP will continue to defend our democratic values and fight for the Senate to be abolished. Why are we paying \$90 million a year for an unelected, unaccountable Senate? Abolishing the Senate would save millions of dollars, and that money could be invested elsewhere in the estimates.

[*English*]

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, I wonder if the member would provide some comment on the need for consultation. What the NDP is attempting to do here is, in essence, cripple the Senate of Canada and, many would ultimately argue, Parliament.

We would acknowledge that the Supreme Court of Canada and all of the provinces have some say. There is a need to consult and to work with the different stakeholders to be able to achieve some of the things that Canadians as a whole would like to see happening with the Senate. That would include the way in which the Senate is financed. There are, no doubt, some who would be quite upset, such as some of those stakeholders who have a vested interest and are now having their constitutional requirements being challenged by the thoughts put forward by the NDP.

Is there not any sort of obligation, not only legally, but morally, for a political party to consult with some of those stakeholders before it moves the motion that is being suggested here? Am I wrong, and the NDP did consult? If it did, could it provide us with the names of the provinces that it got the okay from?

• (2045)

[*Translation*]

**Mr. Pierre Jacob:** Mr. Speaker, I thank my colleague for the question.

I will answer with what I said in my speech: the Conservatives and the Liberals keep swearing that they really want to change things, but when they vote for the status quo at every opportunity, it comes as no surprise.

The Conservative Party continues to defend the Patrick Brazeaus, Pamela Wallins and Mike Duffys of this world, and the Liberal Party continues to defend the Mac Harbs of this world.

[*English*]

**Mr. Charlie Angus (Timmins—James Bay, NDP):** Mr. Speaker, it is fascinating to listen to this debate tonight. We are talking about basic financial accountability of the Senate. The Conservatives and Liberals are talking as though this is some kind of parliamentary apocalypse, a complete shutting down of Parliament, a complete shutting down of legislation.

I find it fascinating to hear my friends in the Liberal Party say that we have a moral obligation to engage in this national consultation about whether people who have been ripping off the taxpayer should be held accountable to the taxpayer.

*Business of Supply*

I have not heard anything from either party tonight about the corruption. I have heard nothing about the fact that guys like Mac Harb were acting as lobbyists for oil and gas, while charging fake housing allowances and collecting it. I just heard members talking about people's constitutional rights to be protected, a crook in Kanata, while he does not even have the constitutional right to sit in the Senate.

I would like to ask my hon. colleague why he thinks that a question about finances and about financial spending and accountability so deeply offends the Liberal Party.

[*Translation*]

**Mr. Pierre Jacob:** Mr. Speaker, I thank the hon. member for the question.

I would simply say that I am not surprised that the Conservatives and Liberals are hiding behind fine principles to defend the indefensible. The Senate is unelected and unaccountable to Canadians. Senators do whatever they want in the upper chamber.

I am not surprised to hear that such things go on in that dark place.

[*English*]

**Mr. Dan Albas (Parliamentary Secretary to the President of the Treasury Board, CPC):** Mr. Speaker, normally I am happy to have the opportunity to participate in a debate, but not today. Today, in this case, I will be rising to oppose a motion denying the allocation of resources for the Senate. In other words, I will not be supporting the motion that opposes funding for the Senate.

I expect that was the point by the member opposite in creating this motion, because the member knows the role of the Senate in our Constitution. Once a bill leaves this place, it must pass through the other place before it ultimately can receive royal assent. In essence, the member opposite is suggesting to shut down the ability to pass laws, to amend laws and to change legislation, because without the Senate, the way our Constitution is structured, that would be the final result.

I suppose that a do nothing approach is favourable to the NDP. After all, if nothing were to change, the New Democratic Party would not have to oppose everything. I have problems with that, and I would like to provide an example for the chamber as to why that is.

Recently, in this place, we debated Bill C-17, otherwise known as Vanessa's law, a long overdue, much needed bill that would better protect Canadians from dangerous drugs by ensuring that our democratically elected Minister of Health and Health Canada could have the power to recall dangerous drugs and not just the huge pharmaceutical corporations, as is the current case.

One of my weekly member of Parliament reports was focused on Vanessa's law. I am pleased to share with the House that the response from my constituents was overwhelmingly in support of the bill. Even my local NDP and Liberal friends were strongly supportive of the bill. As we know, the NDP in the House supported Vanessa's law as well, even if they filibustered the debate in debating how they agreed with it. I suspect when the New Democrats heard from their constituents back home, they heard much the same message that I heard. That is likely why they did an about-face in sending that bill forward late last week.

Imagine if bills like Vanessa's law could not ultimately become law because they could not pass through the other place. This is the kind of nonsense the NDP is proposing in this motion today.

I am not naive to the fact that there are many Canadians who are strongly opposed to the Senate. The problem is that the NDP likes to pretend that it has a magic wand and can simply wish the Senate away. Our own Supreme Court has confirmed that simply is not the case. The NDP knows this and yet it continues to play a political game that we can simply make the Senate disappear when, in fact, we cannot.

If the NDP truly wants a constitutional debate on the Senate, it should simply say so. Let us be clear that there are many non-partisan support staff that make that Senate run, no different than the assistance we here receive and benefit from in this place. The NDP members, with this motion, in effect, is suggesting that none of them get paid, or perhaps they are suggesting that they possibly work for free. Is the member for Winnipeg Centre also proposing to hand out pink slips to all the support staff in the Senate?

If there were lawsuits from de-funding the Senate, would the member for Winnipeg Centre ask his friends in the union movement to cover the costs of those lawsuits, as he did his own? I suspect not. This is the same NDP that has no problem using tax dollars in NDP satellite offices, the same NDP that is happy to use taxpayer-funded staff in these satellite offices, but apparently does not think there should be taxpayer-funded staff in the Senate. This just does not reconcile.

• (2050)

The Canadian Senate, rightly or wrongly, was conceived as an institution to provide sober second thought in legislative scrutiny. It was also conceived as an institution to provide regional representation, as evidenced by the regional divisions of the Senate.

Disagreement with the Senate is nothing new to Canadians and, I would suggest, has been occurring since July 1, 1867, and has continued ever since.

As I am sure all members are well aware, a plethora of Senate reform proposals have been put forward over a number of decades. In most cases, proposals have called for an injection of democratic legitimacy into the appointment process, as well as the changes to the distribution of senators among the provinces, and also changes to the power of the Senate itself.

One of these reform initiatives was the triple-E Senate proposal that came out of Alberta during the 1980s. Triple-E stands for elected, equal, and effective. This should not be confused with the Liberal leader's vision of a triple-E Senate, which is a Senate of the elites, by the elites, and for the elites.

The original triple-E proposal laid the basis for many of the proposals that ensued in the years that followed and found its way into constitutional discussions that took place during the 1980s and 1990s, the most notable being the Meech Lake constitutional accord and the Charlottetown constitutional accord.

*Business of Supply*

The Charlottetown accord would have resulted in a fundamentally changed Senate. The Senate would have been elected with an equal number of senators per province, with some limitations on the power of the Senate to avoid deadlock. The rejection of the Charlottetown accord in the 1992 referendum significantly reduced the prospects for fundamental constitutional reform for many years, and serious discussion of the Senate largely disappeared from the national debate.

As members will know, not long after the 2006 election, when our government first introduced Bill S-4 in the Senate, the bill would have limited senators' tenure to a renewable term of eight years. Bill S-4 gathered a great deal of support and was endorsed by the Senate Special Committee on Senate Reform, as well as by a number of constitutional experts.

Let us not forget that it was the opposition parties that united in their refusal to support meaningful Senate reform, as was proposed in Bill S-4. This led to the introduction of Bill C-7, the Senate reform act, in 2011. Bill C-7 would have implemented a nine year, non-renewable term for senators, as well as a voluntary framework for provinces to implement Senate appointment consultation processes of their own. However, that was not to be, and now we must all live with and respect the decision of the Supreme Court in this matter.

The court said that Senate abolition would require the support of Parliament and the legislative assemblies of each province. In doing so, it has given the Senate the highest level of protection that can be achieved under our amending procedures. I would point out for the member for Winnipeg Centre that his proposal to effectively abolish the Senate by withdrawing its funding would not conform to the court's decision in its Senate reform reference.

I would also like to point out that it is unlikely that all of the provinces agree with the position of the member for Winnipeg Centre. I would further submit that one thing most of the provinces do appear to agree on is that the Senate is not the top priority of provincial concern.

I would like to make this clear. I am not looking to defend the institution that we call the other place. That is not the role of members of the House. However, we now have a reference to the Supreme Court of Canada on Senate reform and the release of the court's opinion this spring. It remains to be seen what the ultimate impact of the court's opinion will be on the future for reform.

However, the subject of this potential constitutional debate is not one that any member of this place should take lightly. The reality is that the member for Winnipeg Centre is trying to do an end run around with his motion.

I understand the NDP's frustration, and at times I am certain we all wish we had a magic wand to make our challenges magically go away. However, what the member for Winnipeg Centre has proposed, as we know, is not how this issue will be resolved.

● (2055)

Before I close, I would like to share a few personal thoughts on this issue. Since I have come to this place, I have worked with senators. I have worked with senators on the Senate-House of Commons Standing Joint Committee for the Scrutiny of Regulations. I worked with the Senate on the passage of my private member's bill

on the interprovincial movement of wine. This work seldom is covered by the media. However, I can state first-hand that it is important work and that the Senate takes a different perspective on these issues. I mention this because we all know that there are a handful of members from the other place who have become household names for a variety of different but not flattering reasons. However, there are also many good people who do good work on behalf of Canadians in the other place.

Many of us may not like the historic structure of the other place and the role it plays in our governance. However, dislike of an institution we disagree with does not alleviate our constitutional obligations to work with that institution. Regardless of what the NDP thinks, the Senate is part of the process of how we pass laws.

I need not remind the NDP that we are legislators. To deny or otherwise disable part of the very process involved with changing legislation would in effect compromise the work we do on behalf of Canadians. If the NDP seeks to disable our ability to pass, amend, or change laws as legislators, then perhaps it is time it ceased to be the opposition. I frequently hear the NDP members propose private member's bills, suggest amendments, and even propose to change laws, should they ever form the government. None of that can happen without bills passing through the Senate. It is in our constitution.

Either the New Democratic Party is kidding Canadians, or perhaps it is just kidding itself. Either way, like the Senate or not, those who came long before us did a very good job of ensuring that the other place is very much part of how we pass bills into law. To undermine this process undermines the work we do as legislators, and I cannot and will not support this motion presented by the NDP tonight. I certainly will be happy to vote in favour of the estimates put forward.

I support the motion put forward by the government so that it can have supply, but I stand opposed to the notion by the NDP.

I would like to thank all members of the House for taking the time to hear my comments this evening. I appreciate and look forward to their questions.

● (2100)

**Mr. Matthew Dubé (Chambly—Borduas, NDP):** Mr. Speaker, it is interesting, because I am hearing about what the Senate's purpose was and why it was created. The whole reason it exists is because of all of these archaic notions of lords and property owners and things that are far outdated. There is a reason why every time I have spoken in this House on issues concerning the Senate I have referred to it as institutional arthritis, because that is essentially what the Senate is at this point.

My colleague talked about the NDP wanting to disable part of the legislative branch and to disable part of Parliament. In that vein, does the member feel that it is appropriate that at the end of the day, the Senate is disabling elected members of Parliament in passing legislation, as it did on Jack Layton's bill on climate change, for example? There are plenty of great examples in this place. We talk about sober second thought all the time, but at the end of the day, there does not seem to be much thought in there.

*Business of Supply*

Does the member feel that it is appropriate for these folks to be disabling the work that we, as duly elected members of Parliament, are doing in this place?

**Mr. Dan Albas:** Mr. Speaker, we all wish that things would be the way we want them to be. One of the toughest parts is that we all come here with notions about how things should be and how we would change things, but then we find out that not everyone in this place agrees with us. Therefore, we have to have a process to deal with the issues of the day. Our constitution says, and the Supreme Court backs it up, that we have two houses for a reason. Despite perhaps an individual member's wishes, we need to acknowledge that it is part of our constitution, that it is part of the lawful process we are here to do, and that we need to take ideas, translate them into bills, debate those issues, and see those things come forward by getting enough people to say yes.

My bill on the interprovincial shipment of wine started back in 1928 as a prohibition era idea that many of us here opposed. It took time, but eventually it was rescinded by the unanimous support of this place and the Senate. While the member may wish things were different and may feel that things are outdated, part of being productive is accepting reality, working with what we can, and seeing what we can deliver for our constituents.

**Hon. Judy Sgro (York West, Lib.):** Mr. Speaker, I share my colleague's satisfaction with his own bill when it comes to being able to transport wine from one province of Canada to another. However, I have to say that when it comes to the issue of the Senate, certainly the Prime Minister was very vocal about his concern about change in the Senate. Yet after eight years of Conservative rule, the government has brought no changes at all to the Senate, it was our leader, actually, who made more significant change in one morning in the Senate than we have seen from the Prime Minister himself, other than appointing 54 senators since he came to office.

If my colleague feels that we need to have some improvements in the Senate, is he encouraging his government to take a stand for the changes that he thinks need to happen in the Senate?

• (2105)

**Mr. Dan Albas:** Mr. Speaker, I certainly appreciate that member's support for my bill on wine.

Again, she has brought forward that her leader has made a suggestion and has put forward that they will have no more Liberal senators. They will call themselves Senate Liberals. The Liberals basically said that they were going to have free elections for their own leadership, their whip position, and the House leader, and it was the same individuals. Of the change she speaks of, I do not know what she actually means, because as far as I can see, that is just more talk.

Getting back to the issue of Senate reform, this Prime Minister is the first Prime Minister in history to go before a parliamentary committee, and it was on Senate reform. This Prime Minister in this place said during question period a week or two after the ruling from the Supreme Court came out that if the provinces have ideas on whether the Senate should be reformed or whether it should be abolished, to carry those motions forward forthwith.

While the member may be content with the ideas her leader has put forward, the fact that he did not even consult with his own

caucus before ejecting them seems to say more about how his approach to reforming his own party is all talk, and in fact, no consultation.

[*Translation*]

**Mr. Pierre-Luc Dusseault (Sherbrooke, NDP):** Mr. Speaker, I am pleased to be able to ask the Parliamentary Secretary to the President of the Treasury Board a question.

The timing is good because today we are talking about the main estimates 2014-15 and, more specifically, about the voted appropriations under "The Senate". We are talking about voted appropriations and statutory appropriations. Voted appropriations account for \$58 million and statutory appropriations account for \$34 million.

My question will be straightforward because whenever I ask an even slightly complicated question, I often do not get a response. Can my colleague talk about the difference between discretionary and statutory items? As the Parliamentary Secretary to the President of the Treasury Board he should be more than able to answer that question.

[*English*]

**Mr. Dan Albas:** Mr. Speaker, this goes back to the estimates process. There are some that are what we would call "statutory", which means that they have already received Parliament's consent and will automatically be funded, and then there is discretionary. Tonight we are going to be voting on the discretionary aspects.

Going back to my speech, I support the government's request for supply. However, the New Democrats have chosen to debate a particular area of funding that falls under the discretionary items. I do not believe that their motion is either serious or productive, so I will not be supporting their call to not fund the Senate.

[*Translation*]

**Mr. Pierre-Luc Dusseault:** Mr. Speaker, I am pleased with the clarification provided by the Parliamentary Secretary to the President of the Treasury Board.

Can he respond to the allegations being made by his colleagues and Liberal members, who are saying that voting on this motion would completely shut the Senate down for good? We heard these allegations that were being made by most of his colleagues.

Can he confirm or deny that the motion we will be voting on later will cut \$58 million in funding and force the Senate to change its ways and become accountable to the public and that this evening's vote is not designed to shut down the Senate?

[*English*]

**Mr. Dan Albas:** Mr. Speaker, again, the NDP continues to believe that its magical thinking will pan out in a way that supports Canadians.

That particular member, regardless of whether it is a discretionary or a statutory item, will vote in opposition, because the NDP ultimately opposes this government's agenda of low-tax policies that will help us grow our economy, create more jobs, and create long-term prosperity.

*Business of Supply*

I understand that the member has certain ideas about the Senate and about whether it should be funded, but this government stands clear. We want to see a strong parliamentary agenda. We want to see things like Bill C-17, Vanessa's law, which I mentioned, go forward, because they are in Canadians' greatest interests.

• (2110)

**Mr. Robert Chisholm (Dartmouth—Cole Harbour, NDP):** Mr. Speaker, I am pleased to rise for a very few moments to debate this particular motion. I will be sharing my time with the hon. member for Nanaimo—Cowichan.

I am pleased to wade in here to have this discussion. The motion that is before us is about the estimates, and it is about the Senate. The mover of the motion, our first speaker, talked about the whole question of accountability and approving a line item of \$92 million to the Senate, where there is no accountability for how that money will be spent.

In reality, and let me clarify this, members on both the government side and the Liberal benches have been extraordinarily upset that we are going to cut off all the money to Senate, which will not be able to operate anymore and some of the staff may be laid off. They have been very concerned about that.

Let me assure members that what we are talking about is the discretionary part of that particular budget line, which is nearly \$58 million, and the \$34 million, nearly \$35 million represents statutory forecasts, in other words the amount of money that has been deemed necessary to keep the lights on and the staff working, and so on.

I know that members opposite and adjacent have been very upset by the fact that we may be proposing to vote on a motion that would lay staff off. I would love to hear what working people across this country think about the faux concern that they have heard tonight from government members and Liberal members.

That is the first point, the concern that we would cut off money and that the Senate would not be able to operate.

The second concern, of course, is that if we close the doors to the Senate, then we would not be able to do anything. We would not be able to pass any legislation. We would not be able to do any business.

It used to be the case in this country that 10 provinces had a Senate or two Houses. They got rid of them, and they still operate. The provinces still do business. My province of Nova Scotia got rid of its Senate in 1928, and it is still working. It is still governing. It is still doing business. It is still passing legislation. It is still raising taxes and still spending money on behalf of the people who have elected the Senate members.

Let us be clear, I understand what the nub of the problem is here. The Liberals and the Conservatives have had this other institution over there that they have stuffed chockablock full of partisans for 150 years, who have gone across this country from coast to coast on the taxpayers' dime performing partisan activities.

It is not that some of them have not done good work or that some of these committees have not done some good work from time to time, when they have been able to find time, when there are no

elections or fundraising events or snowstorms in P.E.I. or something of the like happening. They have done some work.

It is not about the individuals, and that is what gets confusing sometimes. It is about a few of them. It is about the ones who seem to use the money they get, the allowances, and the credit cards they get, as if it is their own money to do with what they will, before they finally get caught. It is those ones who end up getting chased around by the authorities, the police, and others. That is a bit personal. Those are the people we are talking about.

We are saying to the government and to the Liberals that we can hold the Senate accountable. That is what this motion is all about. It is about accountability.

• (2115)

Why do we not, as a group, stand up, suck it up a little bit, and start playing hardball with the Senate, start demanding some accountability? The government has not been able to do it in the 10 years it has been proposing to make the Senate accountable. It has not been able to do anything. Let us agree tonight, all of us here in this chamber, to do it once and for all. We will defeat this motion so that all of a sudden, tomorrow morning, the senators will realize they will not get \$57 million until they start coming up with some accountability measures that have teeth and that Canadians can trust, and most important, members in this House who are responsible for paying those bills will have some confidence that once and for all, the activities that go on in that chamber will be held accountable.

We will get to the other part. Members suggest that it is impossible to actually deal with Senate reform or abolishment, but it is not. Canadians are ready for it. Provinces are ready for it. We hear about it wherever we go in the country. People are fed up with the fact that we have a chamber where men and women have been appointed simply because of the favours they did for a particular prime minister or for the water cans they carry for a political party. That is not good enough. Canadians are demanding more. They are demanding more because the government and the former government have been asking Canadians to tighten their belts and to do with less.

I talked to a woman today in Dartmouth who is having a hard time finding housing for her and her two children because of the cuts the government has made in the availability of affordable housing across this country. We have tried, my colleagues on this side have tried to force the government to bring forward a national housing strategy, to no avail. The woman, on behalf of her children, wants to see us holding the Senate accountable for at least \$57 million of the \$92 million that we are supposed to approve tonight.

A number of people have been in my office in the past two months who have had to wait upwards of 40 days to get their claims paid through EI. They have asked me why it is that the Senate, which is unelected and unaccountable, can be allowed to spend \$92 million without any explanation, without being held accountable.

*Business of Supply*

I am here to say, and my colleagues are suggesting in their debate and in their support for this motion today, that we have the opportunity to hold this institution accountable tonight, right here, on behalf of my constituents, on behalf of Canadians across the country who are asking us to be accountable for the money that we allocate. We have the opportunity to do that today. Let us do it today. Let us vote to hold the Senate accountable and then let us move on to get rid of the Senate, because we can operate. Canadians are asking us to make sure that the decisions that are made by the Government of Canada in fact are accountable and are made by people who are duly elected.

**Mr. Scott Andrews (Avalon, Lib.):** Mr. Speaker, I love this high horse that the NDP members are up on tonight. It hurts to fall off it too. They are going to have a rude awakening when their leader gets raked before the House.

Let us go back to this individual member. He talked about the senators going all over during election campaigns. Let us talk about the Labrador by-election campaign and how many NDP members were in Labrador, this member being one of them.

My question is, how did he go to Labrador? Was he on the government dime? Was he on the party dime? Better yet, how many times were you in Labrador before the by-election, and how many times were you in Labrador after the by-election?

• (2120)

**The Acting Speaker (Mr. Barry Devolin):** Order. Before I go back to the member, I would remind all hon. members to direct their comments to the Chair rather than at their colleagues.

The hon. member for Dartmouth—Cole Harbour.

**Mr. Robert Chisholm:** Mr. Speaker, I appreciate the member getting involved in this debate. I appreciate the fact that he is feeling somewhat emotional about the fact that we are facing right now a debate about allocating \$92 million, \$57 million of it discretionary. He does not have to worry that the workers that he is so concerned about representing will be okay. They will be because \$34 million will still be there.

He has to answer to his constituents just like I have to answer to my constituents, “What did you do when the opportunity arose to hold the Senate accountable for spending \$92 million? Did you step up, or did you sit down?”

**Mrs. Joy Smith (Kildonan—St. Paul, CPC):** Mr. Speaker, I think we could all agree that everyone wants this whole Parliament to be accountable. Everybody wants the Senate to be accountable. In fact, it has been very discouraging to see a few individuals from all different parties who have taken advantage of the Senate.

Recently this year there has been a very strict accountability of the finances, a very close examination of the Senate. We know the Senate has a long and wonderful history where it is known as the chamber of sober second thought. We know that there are a lot of wonderful senators who work extremely hard and play within the rules. Since some of this has happened in the Senate and it has been revealed that some individuals allegedly have misused funds, this very strong accountability of the money has been put in place. I believe it was last December.

Is the member aware of this aspect, that accountability is being put in there and has been put in there now?

**Mr. Robert Chisholm:** Mr. Speaker, I am aware of the fact that the Senate is filled with unaccountable, unelected women and men who from time to time are doing great work. They spend \$92 million a year and it is unaccountable. We can talk all we want about it. We can wish it were not so. We can wish it were better or we can do something about it. That is what we are talking about here tonight.

Are we going to do something about it? Are we going to say it is time to ship up, it is time to get ready, it is time to start doing things right so that we can be proud of the way that organization works on behalf of Canadians, because eventually we are going to get rid of it. Let us hold it accountable at least. We have the opportunity tonight. Let us do the right thing.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Speaker, I want to thank the member for Dartmouth—Cole Harbour for sharing his time with me and, of course, for very ably laying out the reason we are having this debate tonight.

It is all about accountability, and as I listened to the various comments, questions, and speeches, I have found it interesting that by and large members other than the NDP have not wanted to talk about the issues of accountability.

I was fortunate to be elected back in 2004, so I have been in this august place for 10 years now, but we so rarely get an opportunity in this House to discuss the issues around accountability in the Senate. There is simply very little mechanism for us to do this.

I want to applaud the member for Winnipeg Centre for consistently raising this issue year after year. He has been tireless in attempting to get this place to talk about accountability issues with the Senate. It is tonight that we get this very brief period of time to shine the light on the lack of accountability in the Senate.

I was interested to hear the member opposite ask the question about the very strict accountability that was put in place in December. We eagerly await, at least on this side of the House, the Auditor General's report on expenditures in the Senate. We eagerly await that detail and the recommendations for the kinds of measures that need to be put in place to ensure accountability in the Senate.

The other issue that has come up consistently this evening is the fact that people are talking about the Supreme Court decision and the fact that the government proposal in its piece of legislation was not deemed as meeting the requirements under the Constitution.

Certainly, I do not think any of us here is questioning the wisdom of the Supreme Court position with regard to reform of the Senate. However, there are still other mechanisms that we could put forward to talk about making the Senate more accountable. The NDP has certainly made some recommendations about the reformation of the Senate that do not require constitutional change.

*Business of Supply*

The member for Timmins—James Bay mentioned that one of the things we could do is prohibit the senators from taxpayer-funded partisan work. The senators would no longer participate in party caucuses or do fundraising, organizing, or public advocacy on behalf of a political party, using Senate resources. That seems like a really good plan. We do not require the provinces' consent to make that particular reform. In fact, the leaders of the Conservative and Liberal parties, who are the only parties here who have Senate appointments, could actually work with their senators right now to institute that policy this very minute.

Second, we could end taxpayer-sponsored travel that is not directly related to senators' legislative work. This sounds like a reasonable accountability measure. Certainly here in the House we have rigorous reporting requirements in terms of how we report our expenses with regard to flights: what we were doing, where we were going. There is no reason why the Senate cannot have that same kind of rigorous approach.

Third, we could establish a single ethics code and a single ethics commissioner for all parliamentarians. Again, that would make absolutely perfect sense. I mean, there are standards that parliamentarians in the House of Commons have. We have to fill out detailed forms with regard to other activities we may be engaged in. The ethics commissioner reviews the forms to ensure we are fulfilling our requirements and responsibilities.

We have seen very rare occasions, fortunately, in this House where members of the government have had to stand up and apologize because their conflict of interest form perhaps did not reveal the details that were required. However, again, we have a rigorous process here, and members by and large abide by that process. It would seem a good process to put in place with regard to the Senate.

I have heard talk about the sober second thought. If only that were true. Since 2011, there have been very few bills that have been amended in the Senate. Where bills have been amended in the Senate, it was because the government gave it marching orders. It was because the government blew something on a bill and then told the Senate what amendments it had to do because they were required. However, in terms of independent review of legislation, that sober second thought that people keep talking about simply has not happened. We have a Senate that is heavily stacked on a partisan basis, and that is the kind of review that is brought to those pieces of legislation.

• (2125)

We have had unprecedented numbers of bills originating in the Senate. One would think, if the government thought they were that important, it would actually draft the bills and have them tabled in the House of Commons and then referred to the Senate. However, we are not seeing that kind of approach to a legislative agenda.

Others have pointed this out, but I was fortunate enough to be a member of the House when the climate change accountability legislation was passed in the House of Commons and then referred to the Senate. With some trickery and chicanery in the Senate, it was defeated. It makes no sense to me that we have the duly elected representatives debating and determining a piece of legislation that we feel is in the best of interest of Canadians, we send it off to the

Senate, and it is summarily defeated. That does not seem a reasonable approach for an unaccountable, unelected Senate.

I want to turn to the scandals that have been plaguing the Senate over the last several months.

Again, the member for Dartmouth—Cole Harbour pointed this out. I know from talking to my constituents and other Canadians that people are raising concerns about the Senate, about how money is spent in the Senate, how accountable it is, why it is that the Senate continues to operate in this fashion, and why somebody is not doing something about it.

New Democrats are. We are trying to actually highlight the fact that there is a significant amount of money—in fact, the total amount is \$91.5 million, but the amount we are talking about tonight is \$57.5 million—which is the part that requires approval of Parliament.

Canadians are asking why. Why are we continuing to spend this money when there are so many other pressing issues facing Canadians? Why does the Senate continue to be funded for a job that it clearly does not do? It rubber-stamps legislation for the government, so why is it continuing to be funded for that?

I want to turn to consultation for a moment. I have been lucky enough to sit here and listen to a number of comments and questions, so I heard the government and the third party ask us a number of times what we did to consult. I have to remind members of this House that the responsibility around consultation rests with the government. It is the one that develops legislation. It is the one that develops policy. It rests with the government.

The Supreme Court decision said that, in order to do that constitutional reform, we need to have the consent of provinces. We do have a long history of Reformers and now Conservatives talking about the need for Senate reform. If they acknowledge that there is that need for Senate reform and they saw what the Supreme Court said, what exactly have they done to move this conversation along?

Again, I want to remind people that it is the government's responsibility to take part in consultation.

I would argue that members in this House, whenever they put forward a private member's bill or a motion, do not engage in the extensive kind of consultation that is required with regard to government legislation. I am the aboriginal affairs critic and we do not even see the government doing appropriate consultation with respect to aboriginal issues. It hardly seems likely that it is going to conduct the kind of consultation required around constitutional change with respect to the Senate.

In the brief time I have left, I want to briefly touch upon a couple of matters with regard to expenditure.

Again, I think the member for Timmins—James Bay mentioned the \$57 billion that some of us have argued was theft from the employment insurance fund. That is just one example of where similar kinds of money that should have gone to support the workers and their families in this country have just been removed from government coffers by arbitrary decisions, because of governments that could not balance their budgets any other way except on the backs of workers.

*Business of Supply*

I certainly would like to talk about what \$57 million would do for schools on reserve, what \$57 million would do for clean drinking water on reserve, what \$57 million would do for housing, what it would do for child welfare, and what it would do to implement Jordan's principle. There are many ways that this \$57.5 million could be used to actually make lives better for all Canadians instead of for a few senators who are party hacks.

I would urge all members of this House to support this very important motion that the NDP has put forward.

• (2130)

**Mr. Kevin Lamoureux (Winnipeg North, Lib.):** Mr. Speaker, when I think of the proposal that the NDP has put forward, I recognize that it would have a very profound impact on the operations of the Senate. I am sure that, as any responsible official opposition would, the NDP has actually gone out and canvassed the opinions of different provinces, because as the Supreme Court has clearly indicated, the provinces do have a legal right to participate in what is taking place, to a certain degree, with the operations of our Senate. That would be in both the federal and provincial jurisdictions. Some might have different viewpoints.

I wonder if the member could give any indication whatsoever as to whether the NDP has, in fact, canvassed any of the provincial jurisdictions. Would the provinces be in support of the motion that has been put forward? It would be very helpful for the debate if the member could demonstrate any support that goes beyond her own caucus.

• (2135)

**Ms. Jean Crowder:** Mr. Speaker, I certainly did cover in my speech the aspect of where the duty to consult rests. It clearly rests with the government in terms of initiating constitutional change and pieces of legislation that would have that kind of impact.

However, what I also indicated in my speech was the fact that we could use this as a starting point to talk about instituting real accountability in the Senate. Again, as the member for Timmins—James Bay and others have suggested, this is an opportunity to put a real ethics package in place in the Senate. It is an opportunity to stop the kind of partisan spending that happens in the Senate, where there is party fundraising and that kind of activity. It is an opportunity to stop taxpayer-funded travel on measures that are not related to a legislative agenda.

I agree that constitutional change is going to take time and that it is going to require working very closely with the provinces, but in the meantime, we cannot continue to let this kind of unaccountable spending continue to happen. It is just the wrong use of taxpayers' dollars.

**Ms. Peggy Nash (Parkdale—High Park, NDP):** Mr. Speaker, I thank my colleague for her very eloquent speech. She has really shed a lot of light on the nature of the debate today. It is about whether this House agrees to continue to fund the Senate in Canada to the tune of \$92 million.

I come from a province, Ontario, that also used to have a Senate. It abolished it many years ago, as did a number of other provinces and as have many other countries in the world.

When we meet people from other countries and talk about the Canadian Senate, they think of a senator as someone who has been elected and who is democratically accountable to the electorate. They do not fully understand that, in fact, many of those who are in the Senate are failed candidates from the governing party, people who have been fundraisers, loyal campaigners, and so on. They are basically partisans who have been put in the Senate as some kind of reward. As a quid pro quo, they often continue to work on behalf of their political party.

Some have said that they do some good work and that there are some studies that they have done. Perhaps my colleague could answer, then, what kind of studies \$92 million could actually buy. If the point of the Senate is to do the odd study that might be of use, how many studies could \$92 million buy the Canadian people?

**Ms. Jean Crowder:** Mr. Speaker, if the government wanted to get value for its money, what it could do is continue to fund the Canadian Council on Social Development for some independent and non-partisan studies. It could fund the National Association of Women and the Law. That is another great organization that has now lost its money. It could fund organizations like Rights and Democracy.

There are many ways to get at the heart of these kinds of studies and the kind of in-depth information, which would be non-partisan and would truly be value-added, not only for parliamentarians here in terms of their review of the legislation but for all Canadians. I would welcome an opportunity to have that kind of investment, instead of an investment in the unaccountable, unelected Senate.

**Hon. Michelle Rempel (Minister of State (Western Economic Diversification), CPC):** Mr. Speaker, it is a pleasure to address the House and anyone who might be in the gallery tonight on a beautiful summer evening in Ottawa.

We need to be clear on what we are talking about tonight, what the substance of the debate is. It is my understanding that my colleague from Winnipeg Centre gave notice of opposition to Vote 1 in the estimates, which is an amount of approximately \$57 million under "The Senate—Program expenditures, in the Main Estimates for the fiscal year ending March 31, 2015".

What does this mean? It means that this amount is part of the amount that the Senate uses to conduct its operations. There has been a lot of important debate tonight about changes in the Senate, about how we could reform the Senate, about how the Senate could act in a more transparent manner or be more accountable to Canadians. These are important, weighty issues.

I have certainly been quoted in the media. My opinions about the need for Senate reform are on the public record. When I go out to talk to my constituents, it is an issue. How do we make the folks who are responsible for legislation in this country more accountable to Canadians? There are several senators who would agree that this body should be made more accountable. This is a topic of debate.

Going back to what we are talking about tonight, it is the allocation for this upcoming fiscal year for the operations of the Senate. I am going to take a moment, because I have some time tonight, to read an article that is on the Parliament of Canada website. It is entitled "Making Canada's Laws". It states:

*Business of Supply*

...Canada's Constitution states that both the Senate and the House of Commons must approve bills separately in order for them to become law.

*Legislative basics*

The lawmaking process starts with a bill — a proposal to create a new law, or to change an existing one. Most of the bills considered by Parliament are public bills, meaning they concern matters of public policy such as taxes and spending, health and other social programs, defence and the environment.

A bill can be introduced in the House of Commons (C-bills) or the Senate (S-bills), but most public bills get their start in the Commons. A bill goes through certain formal stages in each house. These stages include a series of three readings during which parliamentarians debate the bill. Prior to third and final reading, each house also sends the bill to a committee where members examine the fine points of the legislation. Committee members listen to witnesses give their opinions on the bill, and then subject it to clause-by-clause study based on the testimony.

Either house can do four things with a bill: pass it; amend it; delay it; or defeat it. Sometimes, one house refuses changes or amendments made by the other, but they usually both agree eventually.

All laws of Canada are formally enacted by the Sovereign, by and with the advice and consent of the Senate and the House of Commons. Once both houses have approved a bill, it is presented for Royal Assent and becomes law.

Just to recap, how does a bill become law? It passes through the first House—sometimes the Senate, but usually the House of Commons—and it passes through the second House—usually the Senate, but sometimes the House of Commons—and then royal assent is given by the Governor General.

How does it pass through a House? It goes through first reading, when the bill proposing a law is received and circulated. At second reading, the principle of the bill is debated to verify that the bill represents good policy, et cetera. Then it goes through committee stage. Members of the public appear as witnesses to comment. At report stage, the committee report is considered by the whole House. Third reading is final approval of the bill, and the bill is either sent back to the other House or set aside for royal assent.

As a recap on how the legislative process works here, right now, for this fiscal year, we require both Houses in order to pass legislation. I actually do not think anyone here can argue that, and if they do, they need to have a refresher course prior to continuing their activities in the House. We need to have both sides under our Constitution right now.

The subject of the debate tonight is whether we should or should not approve funding for the upcoming fiscal year to keep the government operational. To put this in a real-life context, there is opposition on this particular vote. If this vote in the estimates were to be defeated, what would that mean in a real-life context?

● (2140)

A bill is coming up that my colleague from Saanich—Gulf Islands is keen on, because she proposed it. I am talking of Bill C-442, an act respecting a national Lyme disease strategy. It had first reading in the House on June 21, 2012, according—

**Some hon. members:** Oh, oh!

● (2145)

**The Acting Speaker (Mr. Barry Devolin):** Order. Could the long distance conversation between northern Ontario and Cape Breton be brought closer together? The rest of us would like to hear the Minister of State's remarks.

The hon. Minister of State.

**Hon. Michelle Rempel:** Mr. Speaker, going back to this particular example, my colleague from Saanich—Gulf Islands introduced this legislation in the House in accordance with the precedents set on private members' bills. I believe the bill is coming up for debate shortly.

The bill will be debated here at second reading stage and will go to committee. Many of the stakeholders that my colleague has consulted on the bill will provide their input at committee stage. I hope that we have great debate on this particular bill. Should the bill be supported in the House, where would it go to become law? What is the next step in this process?

If we go back to what I just went through, which is publicly available and part of any civics lesson, the bill will go to the Senate for the next stage of review, and then royal assent. That is how the legislative process in Canada works. In order for Bill C-442 to become law, the Senate needs to be funded in order to pass it.

Not putting this vote forward in the estimates means that the NDP is voting to shut down the legislative process in this country. It is as simple as that.

We can have an extensive debate on Senate reform and how senators should be elected and so on, but that is not the subject of the debate tonight. The NDP has proposed to shut down the legislative process in Canada. For all of the democratic woe is us, for all of the democracy in Canada is this and that and what not, we have before us a suggestion to shut down the legislative process in Canada.

We are late in the session. Many of us want to be in our ridings connecting with our constituents. We should all give pause for thought as to what that means. It means that if legislation from the House cannot be passed, then it cannot be enacted. It means that next year, the routine process of government that goes through the Senate would not happen. Whether one agrees with Senate reform or abolition or however a member thinks we should seek to change it, the reality remains that not voting this particular piece forward means we cannot put government legislation through.

I have been listening to the questions and answers tonight. We have had a lively debate on how we could possibly make the Senate more accountable to Canadians; that is subject matter worthy of debate, but it is not the substance of what is being debated right now. Sometimes we lose sight of that.

I would ask my colleagues across the way just to have a think. The NDP has put forward a few private members' bills over the years, not just in this session, that have achieved consensus in the House. How do they become law? They become law by going through the Senate. This is part of Canada's Constitution.

*Business of Supply*

The vote on the estimates that has been put forward here is for this upcoming fiscal year. Our government asked for a Supreme Court opinion on what we could and could not do in the House in terms of scope for Senate reform. We were obviously quite disappointed with the outcome of that decision. That said, my colleague the Minister of State for Democratic Reform has talked about how we as a government will press forward on this particular issue because it is something of concern to Canadians. We also have to look at this upcoming fiscal year, which is the subject matter of the estimates.

I would like to see government continue to operate because I would like to see legislation continue to go through the House. I hope that my colleagues will give pause for thought on this one and support Vote 1, because the reality is that this is part of Canada's Constitution. We need to separate the debate around how we could reform the Senate, which again is worthy of debate, from the reality of this particular motion.

I could go through numerous bills in terms of how this particular vote would affect them. The Senate right now has a very heavy legislative calendar. Many of the committees are tasked with a review of bills that have come from here.

• (2150)

Certainly my colleagues opposite would say that there is support for some or all components of some of these bills. I would like to see those bills passed. I would like to see that process continue to operate, which is why we support Vote 1 in the estimates. It is because constitutionally we need the Senate to operate in order for legislation to be passed.

It is very short-sighted for us as a House to sit here and say we cannot fund the Senate and that we are going to pull the funding from it. How, constitutionally, would we put legislation through? I just do not understand this. It is actually a little mind-blowing that the substance of this situation has not come up. Constitutionally, the Senate has to operate. Certainly in the next fiscal year, even if we work at lightspeed beyond the speed of government, the Senate has a job to do right now, and certainly we would all say that we should continue to support it.

Because the topic of Senate reform has come up in debate tonight, I would like to take this opportunity, because I have been itching to do so for a few months, to talk about the approach to Senate reform of my colleagues in the Liberal Party. I find it a bit disingenuous for the senators who consider themselves Liberals in their caucus to all of a sudden walk out and say that they are not Liberals anymore.

**Hon. Peter Van Loan:** They are Liberals in the Senate.

**Hon. Michelle Rempel:** However, Mr. Speaker, now they are Liberals in the Senate. My colleague, the government House leader, makes a good point. The Speaker in the Senate recognizes them as Liberals.

Really, nothing has changed. Furthermore, my colleagues in the Liberal Party have proposed an unelected body to appoint unelected people to one of our governing bodies as a solution to Senate reform.

I am an Alberta MP. This is the home of the triple-E Senate discussion, and I just hate to stand here and see the triple-E debate devolve down to a triple-E that is now a Senate of the elite, by the

elite, and for the elite. I really do not think that is what former Senator Brown had in mind when he coined the triple-E term.

I hope that when we do have the opportunity to talk about Senate reform, Canadians will really look at what was proposed. I do not know if it was really proposed so much as a walk out on stage and maybe just try a flavour-of-the-day announcement by the leader of the Liberal Party by saying, "Hey, these guys are not Liberals anymore, but they are still going to come to our conventions."

**Mr. Jack Harris:** The bozo eruptions.

**Hon. Michelle Rempel:** Mr. Speaker, my colleagues in the NDP are talking about this bozo eruption. That is really not how we should be talking about this very weighty component of legislation that could potentially come before the House.

It is also important to note that in the last year, as someone on this side of this place, I know we are all subject to very transparent and rigorous reporting functions. I have been glad to see that we have had some all-party dialogue on how MPs can report their expenses and how we can have more accountability and transparency in that area. Certainly that is something that the Senate side should be following as well, and over the last year we have seen the adoption of some new rules in the Senate for reporting expenses. That is a step in the right direction.

Again, just to recap, to simply eliminate this particular item out of the estimates and say we are not going to let the Senate operate is perhaps not the best approach. I know it is late in the year and sometimes we have a propensity to grandstand and try to capture debate in a way that it should not be. I do not think anyone in this country who has any background in civics or who has taken grade 6 social studies could honestly say that in this fiscal year we should shut down the Senate and prevent legislation from passing.

• (2155)

Legislative gridlock is a problem. If we voted to have legislative gridlock in this place, industry would be quite upset about that. The international community would be somewhat shocked, would scratch their heads and wonder why Canadians would be shutting down their constitutional process to have legislation go through.

The follow-up to that would be a lack of investment, capital flight, and implications for the delivery of government programs and services. All of these sorts of things would happen because, constitutionally, this is how legislation is passed in our country.

In the coming days, months and years, the topic of Senate reform and how we deal with that is something with which we will be seized, and we should be. However, shutting down the Senate in this fiscal year is perhaps not the wisest possible course of action.

It is a privilege to stand in this place. There is a certain amount of theatre that happens at certain points of the day, but at the end of the day, especially when we look internationally at some of the unrest that happens in other parts of the world, to stand here, especially as a relatively young woman, in a democracy to debate matters of substance and weight and to speak on behalf of my constituents is a privilege.

There are better things to do with our time than to try to have PR stunts around shutting down our legislative process. Just to re-emphasize, if this funding does not go through, the Senate ceases to operate. I would just ask that perhaps my colleagues across the way could have a little more of a think around the motions they put forward. Surely there are other parts of the estimates that we could have had a very rigorous debate around, such as the efficacy of funding.

Surely, my colleagues opposite cannot expect that the Government of Canada would see legislative gridlock for the next several years. I am not sure what to say. This is kind of crazy. It is just one of those things that we look at and know that we have to speak to it, because we need to have laws passed and we need to have our democracy continue to function.

I hope my colleagues opposite will have a change of heart. Everyone in this place agrees that the topic of Senate reform is one that is worthy. It is one that will have heated debate. There are divisions on how to approach that even within our party structures, within our caucuses.

When we are talking about the business of supply and funding that is going to the Senate, I would like to see legislation continue to pass. I am sure my colleagues opposite who have private members' business on the agenda, would like to see their legislation considered by the other place, hopefully passed and become law.

In the name of sanity, in the name of rationality and in the name of respecting the debate here, I would ask my colleagues to understand that in the next fiscal year we need the Senate to operate in order to pass legislation.

• (2200)

[*Translation*]

**The Acting Speaker (Mr. Barry Devolin):** It being 10 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the business of supply.

Call in the members.

• (2230)

#### OPPOSITION MOTION—INCOME SPLITTING

The House resumed consideration of the motion.

**The Speaker:** The question is on the opposition motion relating to the business of supply.

• (2240)

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

(*Division No. 189*)

#### YEAS

##### Members

Allen (Welland)  
Angus  
Atamanenko  
Bélangier  
Benskin  
Blanchette-Lamothe  
Boulerice  
Brahmi  
Brosseau

Andrews  
Ashton  
Aubin  
Bennett  
Blanchette  
Boivin  
Boutin-Sweet  
Brisson  
Byrne

Caron  
Cash  
Chisholm  
Christopherson  
Comartin  
Crowder  
Cuzner  
Davies (Vancouver East)  
Dewar  
Dionne Labelle  
Doré Lefebvre  
Dubourg  
Duncan (Edmonton—Strathcona)  
Easter  
Fortin  
Freeman  
Garrison  
Genest-Jourdain  
Goodale  
Groguhé  
Harris (St. John's East)  
Hughes  
Jacob  
Julian  
Lamoureux  
Larose  
LeBlanc (Beauséjour)  
Leslie  
MacAulay  
Marston  
Masse  
May  
McGuinity  
Michaud  
Morin (Chicoutimi—Le Fjord)  
Morin (Laurentides—Labelle)  
Mulcair  
Nash  
Nunez-Melo  
Patry  
Pilon  
Quach  
Rankin  
Raynault  
Rousseau  
Scarpaleggia  
Sellah  
Simms (Bonavista—Gander—Grand Falls—Windsor)  
Sims (Newton—North Delta)  
Sitsabaiesan  
Stewart  
Thibeault  
Tremblay  
Turmel

#### *Business of Supply*

Casey  
Chicoine  
Choquette  
Cleary  
Côté  
Cullen  
Davies (Vancouver Kingsway)  
Day  
Dion  
Donnelly  
Dubé  
Duncan (Etobicoke North)  
Dusseau  
Eyking  
Freeland  
Garneau  
Genest  
Giguère  
Gravelle  
Harris (Scarborough Southwest)  
Hsu  
Hyer  
Jones  
Kellway  
Lapointe  
Laverdière  
LeBlanc (LaSalle—Énard)  
Liu  
Mai  
Martin  
Mathysen  
McCallum  
McKay (Scarborough—Guildwood)  
Moore (Abitibi—Témiscamingue)  
Morin (Notre-Dame-de-Grâce—Lachine)  
Morin (Saint-Hyacinthe—Bagot)  
Murray  
Nicholls  
Papillon  
Pécllet  
Plamondon  
Rafferty  
Ravignat  
Regan  
Saganash  
Scott  
Sgro  
St-Denis  
Sullivan  
Toone  
Trudeau  
Valériote — 124

#### NAYS

##### Members

Adams  
Albas  
Alexander  
Ambler  
Anders  
Armstrong  
Aspin  
Benoit  
Bernier  
Block  
Braid  
Brown (Leeds—Grenville)  
Brown (Barrie)  
Calandra  
Cannan  
Carrie  
Chong  
Crockett  
Davidson  
Del Mastro  
Dreesen  
Dykstra  
Fantino  
Finley (Haldimand—Norfolk)  
Galipeau

Ablonczy  
Adler  
Albrecht  
Allen (Tobique—Mactaquac)  
Ambrose  
Anderson  
Ashfield  
Bateman  
Bergen  
Bezan  
Boughen  
Breitkreuz  
Brown (Newmarket—Aurora)  
Butt  
Calkins  
Carmichael  
Chisu  
Clarke  
Daniel  
Dechert  
Devolin  
Duncan (Vancouver Island North)  
Falk  
Findlay (Delta—Richmond East)  
Fletcher

*Business of Supply*

Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenny (Calgary Southeast)	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lebel
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McColeman	McLeod
Menegakis	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	Obhrai
O'Connor	O'Neill Gordon
Opitz	O'Toole
Paradis	Payne
Poillievre	Preston
Raitt	Rajotte
Rathgeber	Reid
Rempel	Richards
Ritz	Saxton
Schellenberger	Seeback
Shea	Shipley
Shory	Smith
Sopuck	Sorenson
Storseth	Strahl
Sweet	Tilson
Toet	Trost
Trottier	Truppe
Uppal	Valcourt
Van Kesteren	Van Loan
Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Zimmer — 147	

## PAIRED

Nil

**The Speaker:** I declare the motion defeated.

\* \* \*

## MAIN ESTIMATES, 2014-15

## CONCURRENCE IN VOTE 1—SENATE

The House resumed consideration of Motion No. 1.

**The Speaker:** The next question is on Vote No. 1.

[English]

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

**Some hon. members:** Agreed.**Some hon. members:** No.**The Speaker:** All those in favour of the motion will please say yea.**Some hon. members:** Yea.**The Speaker:** All those opposed will please say nay.**Some hon. members:** Nay.**The Speaker:** In my opinion the yeas have it.*And five or more members having risen:*

● (2245)

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

(Division No. 190)

## YEAS

## Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Andrews
Armstrong	Ashfield
Aspin	Bateman
Bélanger	Bennett
Benoit	Bergen
Bernier	Bezan
Block	Boughen
Braid	Breitkreuz
Brisson	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Byrne
Calandra	Calkins
Cannan	Carmichael
Carrie	Casey
Chisu	Chong
Clarke	Crockatt
Cuzner	Daniel
Davidson	Dechert
Del Mastro	Devolin
Dion	Dreeshen
Dubourg	Duncan (Vancouver Island North)
Duncan (Etobicoke North)	Dykstra
Easter	Eyking
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Freeland
Galipeau	Gallant
Garneau	Gill
Glover	Goguen
Goldring	Goodale
Goodyear	Gosal
Gourde	Grewal
Harper	Harris (Cariboo—Prince George)
Hawn	Hayes
Hiebert	Hillyer
Hoback	Holder
Hsu	James
Jones	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenny (Calgary Southeast)
Kerr	Komarnicki
Kramp (Prince Edward—Hastings)	Lamoureux
Lauzon	Lebel
LeBlanc (Beauséjour)	Lemieux
Leung	Lizon
Lobb	Lukiwski
Lunney	MacAulay
MacKay (Central Nova)	MacKenzie
Maguire	May
Mayes	McCallum
McColeman	McGuinty
McKay (Scarborough—Guildwood)	McLeod
Menegakis	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Murray
Nicholson	Norlock
Obhrai	O'Connor
O'Neill Gordon	Opitz
O'Toole	Paradis
Payne	Poillievre

*Business of Supply*

Preston  
Rajotte  
Regan  
Rempel  
Ritz  
Scarpaleggia  
Seeback  
Shea  
Shory  
Smith  
Sorenson  
Storseth  
Sweet  
Toet  
Trottier  
Truppe  
Valcourt  
Van Kesteren  
Vellacott  
Warawa  
Watson  
Sky Country  
Weston (Saint John)  
Williamson  
Woodworth  
Young (Oakville)  
Zimmer— 179

Raitt  
Rathgeber  
Reid  
Richards  
Saxton  
Schellenberger  
Sgro  
Shipley  
Simms (Bonavista—Gander—Grand Falls—Wind-  
sor)  
Sopuck  
St-Denis  
Strahl  
Tilson  
Trost  
Trudeau  
Uppal  
Valeriote  
Van Loan  
Wallace  
Warkentin  
Weston (West Vancouver—Sunshine Coast—Sea to  
Sky)  
Wilks  
Wong  
Yelich  
Young (Vancouver South)

## NAYS

## Members

Allen (Welland)  
Ashton  
Aubin  
Blanchette  
Boivin  
Boutin-Sweet  
Brosseau  
Cash  
Chisholm  
Christopherson  
Comartin  
Crowder  
Davies (Vancouver Kingsway)  
Day  
Dionne Labelle  
Doré Lefebvre  
Duncan (Edmonton—Strathcona)  
Fortin  
Garrison  
Genest-Jourdain  
Gravelle  
Harris (Scarborough Southwest)  
Hughes  
Jacob  
Kellway  
Larose  
LeBlanc (LaSalle—Émard)  
Liu  
Marston  
Masse  
Michaud  
Morin (Chicoutimi—Le Fjord)  
Morin (Laurentides—Labelle)  
Mulcair  
Nicholls  
Papillon  
Péclet  
Plamondon  
Rafferty  
Ravignat  
Rousseau  
Scott  
Sims (Newton—North Delta)  
Stewart  
Thibeault  
Tremblay

Angus  
Atamanenko  
Benskin  
Blanchette-Lamothe  
Boulerice  
Brahmi  
Caron  
Chicoine  
Choquette  
Cleary  
Côté  
Cullen  
Davies (Vancouver East)  
Dewar  
Donnelly  
Dubé  
Dusseault  
Freeman  
Genest  
Giguère  
Grogulé  
Harris (St. John's East)  
Hyer  
Julian  
Lapointe  
Laverdière  
Leslie  
Mai  
Martin  
Mathysen  
Moore (Abitibi—Témiscamingue)  
Morin (Notre-Dame-de-Grâce—Lachine)  
Morin (Saint-Hyacinthe—Bagot)  
Nash  
Nunez-Melo  
Patry  
Pilon  
Quach  
Rankin  
Raynault  
Saganash  
Sellah  
Sitsabaiesan  
Sullivan  
Toone  
Turmel— 92

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

## [Translation]

The next question is on the motion to adopt the main estimates.

## [English]

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved:

That the main estimates for the fiscal year ending March 31, 2015, except any vote disposed of earlier today, and less the amount voted in Interim Supply be concurred in.

**The Speaker:** The question is on the motion. Is it the pleasure of the House to adopt the motion?**Some hon. members:** Agreed.**Some hon. members:** No.**The Speaker:** All those in favour of the motion will please say yea.**Some hon. members:** Yea.**The Speaker:** All those opposed will please say nay.**Some hon. members:** Nay.**The Speaker:** In my opinion the yeas have it.*And five or more members having risen:*

● (2255)

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

*(Division No. 191)*

## YEAS

## Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Crockett
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kennedy (Calgary Southeast)	Kerr

*Business of Supply*

Komarnicki  
Lauzon  
Lemieux  
Lizon  
Lukiwski  
MacKay (Central Nova)  
Maguire  
McColeman  
Mengakakis  
Miller  
Moore (Fundy Royal)  
Norlock  
O'Connor  
Opitz  
Paradis  
Poilievre  
Raitt  
Rathgeber  
Rempel  
Ritz  
Schellenberger  
Shea  
Shory  
Sopuck  
Storseth  
Sweet  
Toet  
Trottier  
Uppal  
Van Kesteren  
Vellacott  
Warawa  
Watson  
Sky Country)  
Weston (Saint John)  
Williamson  
Woodworth  
Young (Oakville)  
Zimmer— 147

Kramp (Prince Edward—Hastings)  
Lebel  
Leung  
Lobb  
Lunney  
MacKenzie  
Mayes  
McLeod  
Merrifield  
Moore (Port Moody—Westwood—Port Coquitlam)  
Nicholson  
Obhrai  
O'Neill Gordon  
O'Toole  
Payne  
Preston  
Rajotte  
Reid  
Richards  
Saxton  
Seeback  
Shipley  
Smith  
Sorenson  
Strahl  
Tilson  
Trost  
Truppe  
Valcourt  
Van Loan  
Wallace  
Warkentin  
Weston (West Vancouver—Sunshine Coast—Sea to  
Wilks  
Wong  
Yelich  
Young (Vancouver South)

## NAYS

## Members

Allen (Welland)  
Angus  
Atamanenko  
Bélanger  
Benskin  
Blanchette-Lamothe  
Boulerice  
Brahmi  
Brosseau  
Caron  
Cash  
Chisholm  
Christopherson  
Comartin  
Crowder  
Cuzner  
Davies (Vancouver East)  
Dewar  
Dionne Labelle  
Doré Lefebvre  
Dubourg  
Duncan (Edmonton—Strathcona)  
Easter  
Fortin  
Freeman  
Garrison  
Genest-Jourdain  
Goodale  
Grogulé  
Harris (St. John's East)  
Hughes  
Jacob  
Julian  
Lamoureux  
Larose  
LeBlanc (Beauséjour)  
Leslie  
MacAulay  
Marston  
Masse

Andrews  
Ashton  
Aubin  
Bennett  
Blanchette  
Boivin  
Boutin-Sweet  
Brisson  
Byrne  
Casey  
Chicoine  
Choquette  
Cleary  
Côté  
Cullen  
Davies (Vancouver Kingsway)  
Day  
Dion  
Donnelly  
Dubé  
Duncan (Etobicoke North)  
Dusseault  
Eyking  
Freeland  
Garneau  
Genest  
Giguère  
Gravelle  
Harris (Scarborough Southwest)  
Hsu  
Hyer  
Jones  
Kellway  
Lapointe  
Laverdière  
LeBlanc (LaSalle—Émard)  
Liu  
Mai  
Martin  
Mathysen

May  
McGuinity  
Michaud  
Morin (Chicoutimi—Le Fjord)  
Morin (Laurentides—Labelle)  
Mulcair  
Nash  
Nunez-Melo  
Patry  
Pilon  
Quach  
Rankin  
Raynault  
Rousseau  
Scarpaleggia  
Sellah  
Simms (Bonavista—Gander—Grand Falls—Windsor)  
Sims (Newton—North Delta)  
Sitsabaiesan  
Stewart  
Thibeault  
Tremblay  
Turmel

McCallum  
McKay (Scarborough—Guildwood)  
Moore (Abitibi—Témiscamingue)  
Morin (Notre-Dame-de-Grâce—Lachine)  
Morin (Saint-Hyacinthe—Bagot)  
Murray  
Nicholls  
Papillon  
Péclet  
Plamondon  
Rafferty  
Ravignat  
Regan  
Saganash  
Scott  
Sgro  
St-Denis  
Sullivan  
Toone  
Trudeau  
Valeriote— 124

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved that Bill C-38, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2015, be now read a first time.

(Motion deemed adopted and bill read the first time)

[Translation]

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved that the bill be read the second time and referred to committee of the whole.

[English]

**Hon. John Duncan:** Mr. Speaker, if you seek it, I think you will find agreement to apply the results from the previous vote to the current vote, with the Conservatives voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

[Translation]

**Ms. Nicole Turmel:** Mr. Speaker, we agree to apply the vote, and the NDP will be voting no.

[English]

**Mr. Frank Valeriote:** Mr. Speaker, the Liberal Party agrees to apply the vote and shall be voting against the motion.

[Translation]

**Mr. Louis Plamondon:** Mr. Speaker, the Bloc Québécois agrees to apply the vote and will be voting no.

[English]

**Mr. Bruce Hyer:** Mr. Speaker, the Green Party agrees and votes no.

**Mr. Dean Del Mastro:** Mr. Speaker, I stand with the Conservative Party.

**Mr. Brent Rathgeber:** Mr. Speaker, I agree and vote yea.

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

*Business of Supply**(Division No. 192)*

## YEAS

## Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lebel
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McColeman	McLeod
Menegakis	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	Obhrai
O'Connor	O'Neill Gordon
Opitz	O'Toole
Paradis	Payne
Poillievre	Preston
Raitt	Rajotte
Rathgeber	Reid
Rempel	Richards
Ritz	Saxton
Schellenberger	Seeback
Shea	Shipley
Shory	Smith
Sopuck	Sorenson
Storseth	Strahl
Sweet	Tilson
Toet	Trost
Trottier	Truppe
Uppal	Valcourt
Van Kesteren	Van Loan
Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Zimmer — 147	

## NAYS

## Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bélangier	Bennett
Benskin	Blanchette
Blanchette-Lamothe	Boivin
Boulerice	Boutin-Sweet
Brahmi	Brison
Brosseau	Byrne
Caron	Casey
Cash	Chicoine
Chisholm	Choquette
Christopherson	Cleary
Comartin	Côté
Crowder	Cullen
Cuzner	Davies (Vancouver Kingsway)
Davies (Vancouver East)	Day
Dewar	Dion
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé
Dubourg	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Dusseault
Easter	Eyking
Fortin	Freeland
Freeman	Gameau
Garrison	Genest
Genest-Jourdain	Giguère
Goodale	Gravelle
Groguhé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hsu
Hughes	Hyer
Jacob	Jones
Julian	Kellway
Lamoureux	Lapointe
Larose	Laverdière
LeBlanc (Beauséjour)	LeBlanc (LaSalle—Énard)
Leslie	Liu
MacAulay	Mai
Marston	Martin
Masse	Mathysen
May	McCallum
McGuinty	McKay (Scarborough—Guildwood)
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Morin (Saint-Hyacinthe—Bagot)
Mulcair	Murray
Nash	Nicholls
Nunez-Melo	Papillon
Patry	Péclet
Pilon	Plamondon
Quach	Rafferty
Rankin	Ravignat
Raynault	Regan
Rousseau	Saganash
Scarpaleggia	Scott
Sellah	Sgro
Simms (Bonavista—Gander—Grand Falls—Windsor)	
Sims (Newton—North Delta)	
Sitsabaiesan	St-Denis
Stewart	Sullivan
Thibeault	Toone
Tremblay	Trudeau
Turmel	Valeriote — 124

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

Accordingly, the bill stands referred to a committee of the whole and I do now leave the chair for the House to go into committee of the whole.

*Business of Supply*

(Bill read the second time and the House went into committee of the whole thereon, Mr. Joe Comartin in the chair)

• (2300)

**The Chair:** The House is now in the committee of the whole on Bill C-38.

(On clause 2)

**Mr. Mathieu Ravignat (Pontiac, NDP):** Mr. Chair, it is my exceedingly fastidious pleasure to ask whether or not the bill is in its usual form.

**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Chair, the form of the bill has been changed to present organizations in alphabetical order, as shown in main estimates. This change resulted from comments provided by the Standing Committee on Government Operations and Estimates during its review of estimates and supply.

**The Chair:** Shall clause 2 carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

(Clause 2 agreed to)

**The Chair:** Shall clause 3 carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

(Clause 3 agreed to)

**The Chair:** Shall clause 4 carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

(Clause 4 agreed to)

**The Chair:** Shall clause 5 carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

(Clause 5 agreed to)

**The Chair:** Shall clause 6 carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Clause 6 agreed to)

[*Translation*]

**The Chair:** Shall clause 7 carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Clause 7 agreed to)

**The Chair:** Shall schedule 1 carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Schedule 1 agreed to)

**The Chair:** Shall schedule 2 carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Schedule 2 agreed to)

**The Chair:** Shall clause 1 carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Clause 1 agreed to)

[*English*]

**The Chair:** Shall the preamble carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Preamble agreed to)

**The Chair:** Shall the title carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.

(Title agreed to)

**The Chair:** Shall the bill carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.

(Bill agreed to)

**The Chair:** Shall I rise and report the bill?

**Some hon. members:** Agreed.

(Bill reported)

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved that the bill be concurred in.

**Hon. John Duncan:** Mr. Speaker, I rise on a point of order. I think if you seek it, you will find agreement to apply the results from the previous vote to the current vote, with the Conservatives voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

[*Translation*]

**Ms. Nycole Turmel:** Mr. Speaker, we agree to apply the vote, and the NDP will be voting no.

[*English*]

**Mr. Frank Valeriote:** Mr. Speaker, the Liberal Party agrees to apply the vote and shall also be voting against the motion.

[*Translation*]

**Mr. Louis Plamondon:** Mr. Speaker, the Bloc Québécois will be voting no.

[English]

**Ms. Elizabeth May:** Mr. Speaker, the Green Party agrees to apply and will be voting no.

**Mr. Brent Rathgeber:** Mr. Speaker, I agree to apply and I vote yea.

**Mr. Dean Del Mastro:** Mr. Speaker, I stand with the Conservative Party, Mr. Speaker.

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

(Division No. 193)

### YEAS

#### Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lebel
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McColeman	McLeod
Menegakis	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	Obhrai
O'Connor	O'Neill Gordon
Opitz	O'Toole
Paradis	Payne
Poillievre	Preston
Raitt	Rajotte
Rathgeber	Reid
Rempel	Richards
Ritz	Saxton
Schellenberger	Seeback
Shea	Shipley
Shory	Smith
Sopuck	Sorenson
Storseth	Strahl
Sweet	Tilson

Toet  
Trottier  
Uppal  
Van Kesteren  
Vellacott  
Warawa  
Watson  
Sky Country)  
Weston (Saint John)  
Williamson  
Woodworth  
Young (Oakville)  
Zimmer — 147

### Business of Supply

Trost  
Truppe  
Valcourt  
Van Loan  
Wallace  
Warkentin  
Weston (West Vancouver—Sunshine Coast—Sea to  
Wilks  
Wong  
Yelich  
Young (Vancouver South)

### NAYS

#### Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bé langer	Bennett
Benskin	Blanchette
Blanchette-Lamothe	Boivin
Boulerice	Boutin-Sweet
Brahmi	Brison
Brosseau	Byrne
Caron	Casey
Cash	Chicoine
Chisholm	Choquette
Christopherson	Cleary
Comartin	Côté
Crowder	Cullen
Cuzner	Davies (Vancouver Kingsway)
Davies (Vancouver East)	Day
Dewar	Dion
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé
Dubourg	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Dusseau
Easter	Eyking
Fortin	Freeland
Freeman	Gameau
Garrison	Genest
Genest-Jourdain	Giguère
Goodale	Gravelle
Groguhé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hsu
Hughes	Hyer
Jacob	Jones
Julian	Kellway
Lamoureux	Lapointe
Larose	Laverdière
LeBlanc (Beauséjour)	LeBlanc (LaSalle—Énard)
Leslie	Liu
MacAulay	Mai
Marston	Martin
Masse	Mathysen
May	McCallum
McGuinty	McKay (Scarborough—Guildwood)
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Morin (Saint-Hyacinthe—Bagot)
Mulcair	Murray
Nash	Nicholls
Nunez-Melo	Papillon
Patry	Péclét
Pilon	Plamondon
Quach	Rafferty
Rankin	Ravignat
Raynault	Regan
Rousseau	Saganash
Scarpaleggia	Scott
Sellah	Sgro
Simms (Bonavista—Gander—Grand Falls—Windsor)	St-Denis
Sims (Newton—North Delta)	Sullivan
Sitsabaiesan	Toone
Stewart	Trudeau
Thibeault	Valériote — 124
Tremblay	
Turmel	

### PAIRED

Nil

*Business of Supply*

**The Speaker:** I declare the motion carried.

When shall the bill be read a third time? By leave, now?

**Some hon. members:** Agreed.

[*Translation*]

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved that Bill C-38, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2015, be now read the third time and passed.

[*English*]

**Hon. John Duncan:** Mr. Speaker, if you seek it, I believe you would find agreement to apply the results from the preceding motion to the current motion, with the Conservatives voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

• (2305)

[*Translation*]

**Ms. Nycole Turmel:** Mr. Speaker, we agree to apply the vote and we will vote no.

[*English*]

**Mr. Frank Valeriote:** Mr. Speaker, the Liberal Party agrees to apply the vote and shall be voting against the motion.

[*Translation*]

**Mr. Louis Plamondon:** Mr. Speaker, the Bloc Québécois votes against, but agrees to apply the vote.

[*English*]

**Mr. Bruce Hyer:** Mr. Speaker, the Green Party agrees to apply the vote and is voting no.

**Mr. Dean Del Mastro:** Mr. Speaker, I agree with the motion and stand with the Conservative Party, and vote yes.

**Mr. Brent Rathgeber:** Mr. Speaker, I vote yes.

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

(*Division No. 194*)

## YEAS

## Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong

Clarke	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lebel
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McColeman	McLeod
Menegakis	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	Obhrai
O'Connor	O'Neill Gordon
Opitz	O'Toole
Paradis	Payne
Poilievre	Preston
Raitt	Rajotte
Rathgeber	Reid
Rempel	Richards
Ritz	Saxton
Schellenberger	Seeback
Shea	Shipley
Shory	Smith
Sopuck	Sorenson
Storseth	Strahl
Sweet	Tilson
Toet	Trost
Trottier	Truppe
Uppal	Valcourt
Van Kesteren	Van Loan
Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to
Sky Country)	
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Zimmer — 147	

## NAYS

## Members

Andrews
Ashton
Aubin
Bennett
Blanchette
Boivin
Boutin-Sweet
Brison
Byrne
Casey
Chicoine
Choquette
Cleary
Côté
Cullen
Davies (Vancouver Kingsway)
Day
Dion
Donnelly
Dubé
Duncan (Etobicoke North)

*Business of Supply*

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

(Division No. 195)

## YEAS

## Members

Duncan (Edmonton—Strathcona)  
Easter  
Fortin  
Freeman  
Garrison  
Genest-Jourdain  
Goodale  
Groguhé  
Harris (St. John's East)  
Hughes  
Jacob  
Julian  
Lamoureux  
Larose  
LeBlanc (Beauséjour)  
Leslie  
MacAulay  
Marston  
Masse  
May  
McGuinty  
Michaud  
Morin (Chicoutimi—Le Fjord)  
Morin (Laurentides—Labelle)  
Mulcair  
Nash  
Nunez-Melo  
Patry  
Pilon  
Quach  
Rankin  
Raynault  
Rousseau  
Scarpaleggia  
Sellah  
Simms (Bonavista—Gander—Grand Falls—Windsor)  
Sims (Newton—North Delta)  
Sitsabaiesan  
Stewart  
Thibeault  
Tremblay  
Turmel

Dusseault  
Eyking  
Freeland  
Garneau  
Genest  
Giguère  
Gravelle  
Harris (Scarborough Southwest)  
Hsu  
Hyer  
Jones  
Kellway  
Lapointe  
Laverdière  
LeBlanc (LaSalle—Émard)  
Liu  
Mai  
Martin  
Mathysen  
McCallum  
McKay (Scarborough—Guildwood)  
Moore (Abitibi—Témiscamingue)  
Morin (Notre-Dame-de-Grâce—Lachine)  
Morin (Saint-Hyacinthe—Bagot)  
Murray  
Nicholls  
Papillon  
Péclet  
Plamondon  
Rafferty  
Ravignat  
Regan  
Saganash  
Scott  
Sgro  
St-Denis  
Sullivan  
Toone  
Trudeau  
Valeriote — 124

## PAIRED

Nil

**The Speaker:** I declare the motion carried.  
(Bill read the third time and passed)

\* \* \*

• (2310)

## SUPPLEMENTARY ESTIMATES (A), 2014-15

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved:

That the Supplementary Estimates (A) for the fiscal year ending March 31, 2015, be concurred in.

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

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Speaker:** All those in favour of the motion will please say yea.

**Some hon. members:** Yea.

**The Speaker:** All those opposed will please say nay.

**Some hon. members:** Nay.

**The Speaker:** In my opinion the yeas have it.

*And five or more members having risen:*

Ablonczy  
Adler  
Albrecht  
Allen (Tobique—Mactaquac)  
Ambrose  
Anderson  
Ashfield  
Bateman  
Bergen  
Bezan  
Boughen  
Breitkreuz  
Brown (Newmarket—Aurora)  
Butt  
Calkins  
Carmichael  
Chisu  
Clarke  
Daniel  
Dechert  
Devolin  
Duncan (Vancouver Island North)  
Falk  
Findlay (Delta—Richmond East)  
Fletcher  
Gallant  
Glover  
Goldring  
Gosal  
Grewal  
Harris (Cariboo—Prince George)  
Hayes  
Hillyer  
Holder  
Kamp (Pitt Meadows—Maple Ridge—Mission)  
Kenney (Calgary Southeast)  
Komarnicki  
Lauzon  
Lemieux  
Lizon  
Lukiwski  
MacKay (Central Nova)  
Maguire  
McColeman  
Menegakis  
Miller  
Moore (Fundy Royal)  
Norlock  
O'Connor  
Opitz  
Paradis  
Poilievre  
Raitt  
Rathgeber  
Rempel  
Ritz  
Schellenberger  
Shea  
Shory  
Sopuck  
Storseth  
Sweet  
Toet  
Trottier  
Uppal  
Van Kesteren  
Vellacott  
Warawa  
Watson  
Sky Country)  
Weston (Saint John)  
Williamson  
Woodworth  
Young (Oakville)

Adams  
Albas  
Alexander  
Ambler  
Anders  
Armstrong  
Aspin  
Benoit  
Bernier  
Block  
Braid  
Brown (Leeds—Grenville)  
Brown (Barrie)  
Candara  
Cannan  
Carrie  
Chong  
Crockatt  
Davidson  
Del Mastro  
Dreesen  
Dykstra  
Fantino  
Finley (Haldimand—Norfolk)  
Galipeau  
Gill  
Goguen  
Goodyear  
Gourde  
Harper  
Hawn  
Hiebert  
Hoback  
James  
Keddy (South Shore—St. Margaret's)  
Kerr  
Kramp (Prince Edward—Hastings)  
Lebel  
Leung  
Lobb  
Lunney  
MacKenzie  
Mayes  
McLeod  
Merrifield  
Moore (Port Moody—Westwood—Port Coquitlam)  
Nicholson  
Obhrai  
O'Neill Gordon  
O'Toole  
Payne  
Preston  
Rajotte  
Reid  
Richards  
Saxton  
Seeback  
Shipley  
Smith  
Sorenson  
Strahl  
Tilson  
Trost  
Truppe  
Valcourt  
Van Loan  
Wallace  
Warkentin  
Weston (West Vancouver—Sunshine Coast—Sea to  
Wilks  
Wong  
Yelich  
Young (Vancouver South)

*Business of Supply*

Zimmer — 147

## NAYS

## Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bélangier	Bennett
Benskin	Blanchette
Blanchette-Lamothe	Boivin
Boulerice	Boutin-Sweet
Brahmi	Brisson
Brosseau	Byrne
Caron	Casey
Cash	Chicoine
Chisholm	Choquette
Christopherson	Cleary
Comartin	Côté
Crowder	Cullen
Cuzner	Davies (Vancouver Kingsway)
Davies (Vancouver East)	Day
Dewar	Dion
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé
Dubourg	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Dusseault
Easter	Eyking
Fortin	Freeland
Freeman	Garneau
Garrison	Genest
Genest-Jourdain	Giguère
Goodale	Gravelle
Groguhé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hsu
Hughes	Hyer
Jacob	Jones
Julian	Kellway
Lamoureux	Lapointe
Larose	Laverdière
LeBlanc (Beauséjour)	LeBlanc (LaSalle—Émard)
Leslie	Liu
MacAulay	Mai
Marston	Martin
Masse	Mathysen
May	McCallum
McGuinity	McKay (Scarborough—Guildwood)
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Morin (Saint-Hyacinthe—Bagot)
Mulcair	Murray
Nash	Nicholls
Nunez-Melo	Papillon
Patry	Péclet
Pilon	Plamondon
Quach	Rafferty
Rankin	Ravignat
Raynault	Regan
Rousseau	Saganash
Scarpaleggia	Scott
Sellah	Sgro
Simms (Bonavista—Gander—Grand Falls—Windsor)	
Sims (Newton—North Delta)	
Sitsabaiesan	St-Denis
Stewart	Sullivan
Thibeault	Toone
Tremblay	Trudeau
Turnel	Valeriote — 124

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved that Bill C-39, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2015, be now read a first time.

(Motion deemed adopted, bill read the first time)

[Translation]

**Hon. Peter Van Loan (on behalf of the President of the Treasury Board)** moved that the bill be read the second time and referred to committee of the whole.

[English]

**Hon. John Duncan:** Mr. Speaker, if you seek it, you shall find agreement to apply the results from the previous vote to the results of the next vote, with the Conservatives voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

● (2315)

[Translation]

**Ms. Nycole Turmel:** Mr. Speaker, we agree to apply the vote and the NDP will vote no. I would like to mention that the hon. member for Rosemont—La Petite-Patrie is absent.

[English]

**Mr. Frank Valeriote:** Mr. Speaker, the Liberal Party shall be applying the vote and will be voting against the motion.

[Translation]

**Mr. Louis Plamondon:** Mr. Speaker, the Bloc Québécois votes against, but agrees with applying the vote.

[English]

**Mr. Bruce Hyer:** Mr. Speaker, the Green Party votes no.

**Mr. Dean Del Mastro:** Mr. Speaker, I agree to the motion and support the government.

**Mr. Brent Rathgeber:** Mr. Speaker, I agree to the motion and vote yea.

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

(Division No. 196)

## YEAS

## Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill

*Business of Supply*

Glover	Goguen	Hyer	Jacob
Goldring	Goodyear	Jones	Julian
Gosal	Gourde	Kellway	Lamoureux
Grewal	Harper	Lapointe	Larose
Harris (Cariboo—Prince George)	Hawn	Laverdière	LeBlanc (Beauséjour)
Hayes	Hiebert	LeBlanc (LaSalle—Énard)	Leslie
Hillyer	Hoback	Liu	MacAulay
Holder	James	Mai	Marston
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)	Martin	Masse
Kenney (Calgary Southeast)	Kerr	Mathysen	May
Komarnicki	Kramp (Prince Edward—Hastings)	McCallum	McGuinty
Lauzon	Lebel	McKay (Scarborough—Guildwood)	Michaud
Lemieux	Leung	Moore (Abitibi—Témiscamingue)	Morin (Chicoutimi—Le Fjord)
Lizon	Lobb	Morin (Notre-Dame-de-Grâce—Lachine)	Morin (Laurentides—Labelle)
Lukiwski	Lunney	Morin (Saint-Hyacinthe—Bagot)	Mulcair
MacKay (Central Nova)	MacKenzie	Murray	Nash
Maguire	Mayes	Nicholls	Nunez-Melo
McColeman	McLeod	Papillon	Patry
Menegakis	Merrifield	Pécelet	Pilon
Miller	Moore (Port Moody—Westwood—Port Coquitlam)	Plamondon	Quach
Moore (Fundy Royal)	Nicholson	Rafferty	Rankin
Norlock	Obhrai	Ravnignat	Raynault
O'Connor	O'Neill Gordon	Regan	Rousseau
Opitz	O'Toole	Saganash	Scarpaleggia
Paradis	Payne	Scott	Sellah
Poillievre	Preston	Sgro	Simms (Bonavista—Gander—Grand Falls—Wind-
Raitt	Rajotte	sor)	
Rathgeber	Reid	Sims (Newton—North Delta)	Sitsabaiesan
Rempel	Richards	St-Denis	Stewart
Ritz	Saxton	Sullivan	Thibeault
Schellenberger	Seeback	Toone	Tremblay
Shea	Shipley	Trudeau	Tumel
Shory	Smith	Valeriote — 123	
Sopuck	Sorenson		
Storseth	Strahl		
Sweet	Tilson		
Toet	Trost		
Trottier	Truppe		
Uppal	Valcourt		
Van Kesteren	Van Loan		
Vellacott	Wallace		
Warawa	Warkentin		
Watson	Weston (West Vancouver—Sunshine Coast—Sea to		
Sky Country)			
Weston (Saint John)	Wilks		
Williamson	Wong		
Woodworth	Yelich		
Young (Oakville)	Young (Vancouver South)		
Zimmer — 147			

## NAYS

## Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bélangier	Bennett
Benskin	Blanchette
Blanchette-Lamothe	Boivin
Boutin-Sweet	Brahmi
Brisson	Brosseau
Byrne	Caron
Casey	Cash
Chicoine	Chisholm
Choquette	Christopherson
Cleary	Comartin
Côté	Crowder
Cullen	Cuzner
Davies (Vancouver Kingsway)	Davies (Vancouver East)
Day	Dewar
Dion	Dionne Labelle
Donnelly	Doré Lefebvre
Dubé	Dubourg
Duncan (Etobicoke North)	Duncan (Edmonton—Strathcona)
Dusseau	Easter
Eyking	Fortin
Freeland	Freeman
Garneau	Garrison
Genest	Genest-Jourdain
Giguère	Goodale
Gravelle	Groguhé
Harris (Scarborough Southwest)	Harris (St. John's East)
Hsu	Hughes

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

(Bill read the second time and the House went into committee of the whole thereon, Mr. Joe Comartin in the chair)

**The Chair:** The House is now in committee of the whole on Bill C-39.

[Translation]

**Mr. Mathieu Ravignat (Pontiac, NDP):** Mr. Chair, it is my suspicious pleasure, I might even say my persnickety pleasure, to ask the government whether the bill is presented in its usual form.**Hon. Peter Van Loan (Leader of the Government in the House of Commons, CPC):** Mr. Chair, this time, I can say that the format of the bill has changed. It has changed in such a way as to list the organizations in alphabetical order, as they are listed in the supplementary estimates. The change is a result of comments issued by the Standing Committee on Government Operations and Estimates as part of its scrutiny of estimates and supply.**The Chair:** (On clause 2)

Shall clause 2 carry?

**Some hon. members:** Agreed.**Some hon. members:** On division.

(Clause 2 agreed to)

Shall clause 3 carry?

**Some hon. members:** Agreed.**Some hon. members:** On division.

(Clause 3 agreed to)

Shall clause 4 carry?

*Business of Supply*

**Some hon. members:** Agreed.

**Some hon. members:** On division.  
(Clause 4 agreed to)

Shall clause 5 carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.  
(Clause 5 agreed to)

Shall clause 6 carry?

**Some hon. members:** Agreed.

**Some hon. members:** On division.  
(Clause 6 agreed to)

[English]

**The Chair:** Shall Schedule 1 carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.  
(Schedule 1 agreed to)

**The Chair:** Shall clause 1 carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.  
(Clause 1 agreed to)

**The Chair:** Shall the preamble carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.  
(Preamble agreed to)

**The Chair:** Shall the title carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.  
(Title agreed to)

**The Chair:** Shall the bill carry?

**Some hon. members:** Agreed.

**An hon. member:** On division.  
(Bill agreed to)

**The Chair:** Shall I rise and report the bill?

**Some hon. members:** Agreed.

(Bill reported)

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved that the bill be concurred in.

**Hon. John Duncan:** Mr. Speaker, if you seek it I believe you would find agreement to apply the result of the previous vote to the current vote, with the Conservatives voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

[Translation]

**Ms. Nycole Turmel:** Mr. Speaker, the NDP will vote no, and we agree to apply the vote. I would like to mention that the hon. member for Rosemont—La Petite-Patrie is back in his place.

[English]

**Mr. Frank Valeriote:** Mr. Speaker, the Liberal Party agrees to apply the vote and shall be voting against the motion.

[Translation]

**Mr. Louis Plamondon:** Mr. Speaker, the Bloc agrees to apply the vote, and we will vote no.

**Ms. Elizabeth May:** Mr. Speaker, the Green Party agrees to apply the vote, and we will vote no.

[English]

**Mr. Dean Del Mastro:** Mr. Speaker, I support the government on this vote.

**Mr. Brent Rathgeber:** Mr. Speaker, I am also voting yea.

● (2320)

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

(Division No. 197)

YEAS

Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lebel
Lemieux	Leung
Lizon	Lobb

*Business of Supply*

Lukiwski  
 MacKay (Central Nova)  
 Maguire  
 McColeman  
 Menegakis  
 Miller  
 Moore (Fundy Royal)  
 Norlock  
 O'Connor  
 Opitz  
 Paradis  
 Poilievre  
 Raitt  
 Rathgeber  
 Rempel  
 Ritz  
 Schellenberger  
 Shea  
 Shory  
 Sopuck  
 Storseth  
 Sweet  
 Toet  
 Trottier  
 Uppal  
 Van Kesteren  
 Vellacott  
 Warawa  
 Watson  
 Sky Country)  
 Weston (Saint John)  
 Williamson  
 Woodworth  
 Young (Oakville)  
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Lunney  
 MacKenzie  
 Mayes  
 McLeod  
 Merrifield  
 Moore (Port Moody—Westwood—Port Coquitlam)  
 Nicholson  
 Obhrai  
 O'Neill Gordon  
 O'Toole  
 Payne  
 Preston  
 Rajotte  
 Reid  
 Richards  
 Saxton  
 Seeback  
 Shipley  
 Smith  
 Sorenson  
 Strahl  
 Tilson  
 Trost  
 Truppe  
 Valcourt  
 Van Loan  
 Wallace  
 Warkentin  
 Weston (West Vancouver—Sunshine Coast—Sea to  
 Wilks  
 Wong  
 Yelich  
 Young (Vancouver South)

Morin (Laurentides—Labelle)  
 Mulcair  
 Nash  
 Nunez-Melo  
 Patry  
 Pilon  
 Quach  
 Rankin  
 Raynault  
 Rousseau  
 Scarpaleggia  
 Sellah  
 Simms (Bonavista—Gander—Grand Falls—Windsor)  
 Sims (Newton—North Delta)  
 Sitsabaiesan  
 Stewart  
 Thibeault  
 Tremblay  
 Turmel

Morin (Saint-Hyacinthe—Bagot)  
 Murray  
 Nicholls  
 Papillon  
 Péclet  
 Plamondon  
 Rafferty  
 Ravignat  
 Regan  
 Saganash  
 Scott  
 Sgro  
 St-Denis  
 Sullivan  
 Toone  
 Trudeau  
 Valeriote— 124

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

When shall the bill be read the third time? By leave, now?

**Some hon. members:** Agreed.

[Translation]

**Hon. Peter Van Loan (for the President of the Treasury Board)** moved that the bill be read the third time and passed.

[English]

**Hon. John Duncan:** Mr. Speaker, if you seek it I believe you would find agreement to apply the result from the previous vote to the current vote, with Conservatives voting yes.**The Speaker:** Is there unanimous consent to proceed in this fashion?**Some hon. members:** Agreed.

[Translation]

**Ms. Nicole Turmel:** Mr. Speaker, the NDP agrees to apply the vote, and we will vote no.**Mr. Frank Valeriote:** Mr. Speaker, the Liberals vote no.**Mr. Louis Plamondon:** Mr. Speaker, the Bloc Québécois will vote no.

[English]

**Mr. Bruce Hyer:** Mr. Speaker, the Green Party votes no.**Mr. Brent Rathgeber:** Mr. Speaker, I vote yea.**Mr. Dean Del Mastro:** I agree, Mr. Speaker, to support the government on this.

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

(Division No. 198)

## YEAS

## Members

Allen (Welland)  
 Angus  
 Atamanenko  
 Bélanger  
 Benskin  
 Blanchette-Lamothe  
 Boulerice  
 Brahma  
 Brosseau  
 Caron  
 Cash  
 Chisholm  
 Christopherson  
 Comartin  
 Crowder  
 Cuzner  
 Davies (Vancouver East)  
 Dewar  
 Dionne Labelle  
 Doré Lefebvre  
 Dubourg  
 Duncan (Edmonton—Strathcona)  
 Easter  
 Fortin  
 Freeman  
 Garrison  
 Genest-Jourdain  
 Goodale  
 Grogulé  
 Harris (St. John's East)  
 Hughes  
 Jacob  
 Julian  
 Lamoureux  
 Larose  
 LeBlanc (Beauséjour)  
 Leslie  
 MacAulay  
 Marston  
 Masse  
 May  
 McGuinity  
 Michaud  
 Morin (Chicoutimi—Le Fjord)

Andrews  
 Ashton  
 Aubin  
 Bennett  
 Blanchette  
 Boivin  
 Boutin-Sweet  
 Brison  
 Byrne  
 Casey  
 Chicoine  
 Choquette  
 Cleary  
 Côté  
 Cullen  
 Davies (Vancouver Kingsway)  
 Day  
 Dion  
 Donnelly  
 Dubé  
 Duncan (Etobicoke North)  
 Dusseault  
 Eyking  
 Freeland  
 Garneau  
 Genest  
 Giguère  
 Gravelle  
 Harris (Scarborough Southwest)  
 Hsu  
 Hyer  
 Jones  
 Kellway  
 Lapointe  
 Laverdière  
 LeBlanc (LaSalle—Émard)  
 Liu  
 Mai  
 Martin  
 Mathysen  
 McCallum  
 McKay (Scarborough—Guildwood)  
 Moore (Abitibi—Témiscamingue)  
 Morin (Notre-Dame-de-Grâce—Lachine)

Ablonczy  
 Adler  
 Albrecht  
 Allen (Tobique—Mactaquac)  
 Ambrose  
 Anderson  
 Ashfield

Adams  
 Albas  
 Alexander  
 Ambler  
 Anders  
 Armstrong  
 Aspin

*Business of Supply*

Bateman	Benoit	Chisholm	Choquette
Bergen	Bernier	Christopherson	Cleary
Bezan	Block	Comartin	Côté
Boughen	Braid	Crowder	Cullen
Breitkreuz	Brown (Leeds—Grenville)	Cuzner	Davies (Vancouver Kingsway)
Brown (Newmarket—Aurora)	Brown (Barrie)	Davies (Vancouver East)	Day
Butt	Calandra	Dewar	Dion
Calkins	Cannan	Dionne Labelle	Donnelly
Carmichael	Carrie	Doré Lefebvre	Dubé
Chisu	Chong	Dubourg	Duncan (Etobicoke North)
Clarke	Crockatt	Duncan (Edmonton—Strathcona)	Dusseau
Daniel	Davidson	Easter	Eyking
Dechert	Del Mastro	Fortin	Freeland
Devolin	Dreeshen	Freeman	Garneau
Duncan (Vancouver Island North)	Dykstra	Garrison	Genest
Falk	Fantino	Genest-Jourdain	Giguère
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)	Goodale	Gravelle
Fletcher	Galipeau	Groguhé	Harris (Scarborough Southwest)
Gallant	Gill	Harris (St. John's East)	Hsu
Glover	Goguen	Hughes	Hyer
Goldring	Goodyear	Jacob	Jones
Gosal	Gourde	Julian	Kellway
Grewal	Harper	Lamoureux	Lapointe
Harris (Cariboo—Prince George)	Hawn	Larose	Laverdière
Hayes	Hiebert	LeBlanc (Beauséjour)	LeBlanc (LaSalle—Énard)
Hillyer	Hoback	Leslie	Liu
Holder	James	MacAulay	Mai
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)	Marston	Martin
Kenney (Calgary Southeast)	Kerr	Masse	Mathysen
Komarnicki	Kramp (Prince Edward—Hastings)	May	McCallum
Lauzon	Lebel	McGuinty	McKay (Scarborough—Guildwood)
Lemieux	Leung	Michaud	Moore (Abitibi—Témiscamingue)
Lizon	Lobb	Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Lukiwski	Lunney	Morin (Laurentides—Labelle)	Morin (Saint-Hyacinthe—Bagot)
MacKay (Central Nova)	MacKenzie	Mulcair	Murray
Maguire	Mayer	Nash	Nicholls
McColeman	McLeod	Nunez-Melo	Papillon
Menegakis	Merrifield	Patry	Péclet
Miller	Moore (Port Moody—Westwood—Port Coquitlam)	Pilon	Plamondon
Moore (Fundy Royal)	Nicholson	Quach	Rafferty
Norlock	Obhrai	Rankin	Ravignat
O'Connor	O'Neill Gordon	Raynault	Regan
Opitz	O'Toole	Rousseau	Saganash
Paradis	Payne	Scarpaleggia	Scott
Poillievre	Preston	Sellah	Sgro
Raitt	Rajotte	Simms (Bonavista—Gander—Grand Falls—Windsor)	St-Denis
Rathgeber	Reid	Sims (Newton—North Delta)	Sullivan
Rempel	Richards	Sitsabaiesan	Toone
Ritz	Saxton	Stewart	Trudeau
Schellenberger	Seeback	Thibeault	Valériote — 124
Shea	Shipley	Tremblay	
Shory	Smith	Turmel	
Sopuck	Sorenson		
Storseth	Strahl		
Sweet	Tilson		
Toet	Trost		
Trottier	Truppe		
Uppal	Valcourt		
Van Kesteren	Van Loan		
Vellacott	Wallace		
Warawa	Warkentin		
Watson	Weston (West Vancouver—Sunshine Coast—Sea to		
Sky Country)	Wilks		
Weston (Saint John)	Wong		
Williamson	Yelich		
Woodworth	Young (Vancouver South)		
Young (Oakville)			
Zimmer — 147			

**NAYS**

## Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bélanger	Bennett
Benskin	Blanchette
Blanchette-Lamothe	Boivin
Boulerice	Boutin-Sweet
Brahmi	Brisson
Brousseau	Byrne
Caron	Casey
Cash	Chicoine

**PAIRED**

Nil

**The Speaker:** I declare the motion carried.  
(Bill read the third time and passed)

\* \* \*

**STRENGTHENING CANADIAN CITIZENSHIP ACT**

The House resumed from June 9 consideration of Bill C-24, An Act to amend the Citizenship Act and to make consequential amendments to other Acts, as reported (with amendment) from the committee.

**The Speaker:** Pursuant to an order made on Monday, June 9, the House will now proceed to the taking of the deferred recorded divisions on the motions at report stage of Bill C-24.

[Translation]

The question is on Motion No. 1. A vote on this motion also applies to Motions Nos. 2 to 13.

● (2330)

[English]

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

(Division No. 199)

## YEAS

## Members

Allen (Welland)	Andrews
Angus	Ashton
Atamanenko	Aubin
Bélangier	Bennett
Benskin	Blanchette
Blanchette-Lamothe	Boivin
Boulerice	Boutin-Sweet
Brahmi	Brison
Brosseau	Byrne
Caron	Casey
Cash	Chicoine
Chisholm	Choquette
Christopherson	Cleary
Comartin	Côté
Crowder	Cullen
Cuzner	Davies (Vancouver Kingsway)
Davies (Vancouver East)	Day
Dewar	Dion
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé
Dubourg	Duncan (Etobicoke North)
Duncan (Edmonton—Strathcona)	Dusseauit
Easter	Eyking
Fortin	Freeland
Freeman	Garneau
Garrison	Genest
Genest-Jourdain	Giguère
Goodale	Gravelle
Groghé	Harris (Scarborough Southwest)
Harris (St. John's East)	Hsu
Hughes	Hyer
Jacob	Jones
Julian	Kellway
Lamoureux	Lapointe
Larose	Laverdière
LeBlanc (Beauséjour)	LeBlanc (LaSalle—Émard)
Leslie	Liu
MacAulay	Mai
Marston	Martin
Masse	Mathysen
May	McCallum
McGuinty	McKay (Scarborough—Guildwood)
Michaud	Moore (Abitibi—Témiscamingue)
Morin (Chicoutimi—Le Fjord)	Morin (Notre-Dame-de-Grâce—Lachine)
Morin (Laurentides—Labelle)	Morin (Saint-Hyacinthe—Bagot)
Mulcair	Murray
Nash	Nicholls
Nunez-Melo	Papillon
Patry	Péclet
Pilon	Plamondon
Quach	Rafferty
Rankin	Rathgeber
Ravignat	Raynault
Regan	Rousseau
Saganash	Scarpaleggia
Scott	Sellah
Sgro	Simms (Bonavista—Gander—Grand Falls—Wind- sor)
Sims (Newton—North Delta)	Sitsabaiesan
St-Denis	Stewart
Sullivan	Thibeault
Toone	Tremblay
Trudeau	Turmel
Valerioté — 125	

## NAYS

## Members

Ablończy	Adams
Adler	Albas

*Business of Supply*

Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenny (Calgary Southeast)	Kerr
Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lebel
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McColeman	McLeod
Menegakis	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	Obhrai
O'Neill Gordon	Opitz
O'Toole	Paradis
Payne	Poillievre
Preston	Raitt
Rajotte	Reid
Rempel	Richards
Ritz	Saxton
Schellenberger	Seeback
Shea	Shipley
Shory	Smith
Sopuck	Sorenson
Storseth	Strahl
Sweet	Tilson
Toet	Trost
Trottier	Truppe
Uppal	Valcourt
Van Kesteren	Van Loan
Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Zimmer — 145	

## PAIRED

Nil

**The Speaker:** I declare Motion No. 1 defeated. I therefore declare Motions Nos. 2 to 13 defeated.

*Business of Supply*

[Translation]

**Hon. Chris Alexander** moved that Bill C-24, An Act to amend the Citizenship Act and to make consequential amendments to other Acts, be concurred in at report stage.

[English]

**Hon. John Duncan:** Mr. Speaker, I rise on a point of order. I think if you seek it you will find agreement to apply the results from the previous vote to the current vote, with the Conservatives voting yes.

**The Speaker:** Is there unanimous consent to proceed in this fashion?

**Some hon. members:** Agreed.

[Translation]

**Ms. Nycole Turmel:** Mr. Speaker, the NDP agrees to apply the vote, and we will vote no.

**Mr. Frank Valeriote:** Mr. Speaker, the Liberals vote no.

**Mr. Louis Plamondon:** Mr. Speaker, the Bloc Québécois is voting no.

[English]

**Ms. Elizabeth May:** Mr. Speaker, the Green Party votes no.

**Mr. Dean Del Mastro:** Mr. Speaker, I support the government.

**Mr. Brent Rathgeber:** Mr. Speaker, I vote no.

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

*(Division No. 200)*

## YEAS

## Members

Ablonczy	Adams
Adler	Albas
Albrecht	Alexander
Allen (Tobique—Mactaquac)	Ambler
Ambrose	Anders
Anderson	Armstrong
Ashfield	Aspin
Bateman	Benoit
Bergen	Bernier
Bezan	Block
Boughen	Braid
Breitkreuz	Brown (Leeds—Grenville)
Brown (Newmarket—Aurora)	Brown (Barrie)
Butt	Calandra
Calkins	Cannan
Carmichael	Carrie
Chisu	Chong
Clarke	Crockatt
Daniel	Davidson
Dechert	Del Mastro
Devolin	Dreeshen
Duncan (Vancouver Island North)	Dykstra
Falk	Fantino
Findlay (Delta—Richmond East)	Finley (Haldimand—Norfolk)
Fletcher	Galipeau
Gallant	Gill
Glover	Goguen
Goldring	Goodyear
Gosal	Gourde
Grewal	Harper
Harris (Cariboo—Prince George)	Hawn
Hayes	Hiebert
Hillyer	Hoback
Holder	James
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenny (Calgary Southeast)	Kerr

Komarnicki	Kramp (Prince Edward—Hastings)
Lauzon	Lebel
Lemieux	Leung
Lizon	Lobb
Lukiwski	Lunney
MacKay (Central Nova)	MacKenzie
Maguire	Mayes
McColeman	McLeod
Menegakis	Merrifield
Miller	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	Obhrai
O'Neill Gordon	Opitz
O'Toole	Paradis
Payne	Poillievre
Preston	Raitt
Rajotte	Reid
Rempel	Richards
Ritz	Saxton
Schellenberger	Seeback
Shea	Shipley
Shory	Smith
Sopuck	Sorenson
Storseth	Strahl
Sweet	Tilson
Toet	Trost
Trottier	Truppe
Uppal	Valcourt
Van Kesteren	Van Loan
Vellacott	Wallace
Warawa	Warkentin
Watson	Weston (West Vancouver—Sunshine Coast—Sea to
Sky Country)	
Weston (Saint John)	Wilks
Williamson	Wong
Woodworth	Yelich
Young (Oakville)	Young (Vancouver South)
Zimmer— 145	

## NAYS

## Members

Andrews
Ashton
Aubin
Bennett
Blanchette
Boivin
Boutin-Sweet
Brison
Byrne
Casey
Chicoine
Choquette
Cleary
Côté
Cullen
Davies (Vancouver Kingsway)
Day
Dion
Donnelly
Dubé
Duncan (Etobicoke North)
Dusseault
Eyking
Freeland
Garneau
Genest
Giguère
Gravelle
Harris (Scarborough Southwest)
Hsu
Hyer
Jones
Kellway
Lapointe
Laverdière
LeBlanc (LaSalle—Émard)
Liu
Mai
Martin
Mathysen
McCallum

*Business of Supply*

McGuinty  
 Michaud  
 Morin (Chicoutimi—Le Fjord)  
 Morin (Laurentides—Labelle)  
 Mulcair  
 Nash  
 Nunez-Melo  
 Patry  
 Pilon  
 Quach  
 Rankin  
 Ravignat  
 Regan  
 Saganash  
 Scott  
 Sgro  
 Sims (Newton—North Delta)  
 St-Denis  
 Sullivan  
 Toone  
 Trudeau  
 Valeriotte — 125

McKay (Scarborough—Guildwood)  
 Moore (Abitibi—Témiscamingue)  
 Morin (Notre-Dame-de-Grâce—Lachine)  
 Morin (Saint-Hyacinthe—Bagot)  
 Murray  
 Nicholls  
 Papillon  
 Péclet  
 Plamondon  
 Rafferty  
 Rathgeber  
 Raynault  
 Rousseau  
 Scarpaleggia  
 Sellah  
 Simms (Bonavista—Gander—Grand Falls—Wind-  
 sor)  
 Sitsabaiesan  
 Stewart  
 Thibeault  
 Tremblay  
 Turmel

Cuzner  
 Davidson  
 Del Mastro  
 Dion  
 Dubourg  
 Duncan (Etobicoke North)  
 Easter  
 Falk  
 Findlay (Delta—Richmond East)  
 Fletcher  
 Galipeau  
 Garneau  
 Glover  
 Goldring  
 Goodyear  
 Gourde  
 Harper  
 Hawn  
 Hiebert  
 Hoback  
 Hsu  
 Jones  
 Keddy (South Shore—St. Margaret's)  
 Kerr  
 Kramp (Prince Edward—Hastings)  
 Lauzon  
 LeBlanc (Beauséjour)  
 Leung  
 Lobb  
 Lunney  
 MacKay (Central Nova)  
 Maguire  
 McCallum  
 McGuinty  
 Menegakis  
 Miller  
 Moore (Fundy Royal)  
 Nicholson  
 Obhrai  
 O'Neill Gordon  
 O'Toole  
 Payne  
 Preston  
 Rajotte  
 Regan  
 Rempel  
 Ritz  
 Scarpaleggia  
 Seeback  
 Shea  
 Shory  
 sor)  
 Smith  
 Sorenson  
 Storseth  
 Sweet  
 Toet  
 Trottier  
 Truppe  
 Valcourt  
 Van Loan  
 Wallace  
 Warkentin  
 Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)  
 Weston (Saint John)  
 Wilks  
 Wong  
 Yelich  
 Young (Vancouver South)

Daniel  
 Dechert  
 Devolin  
 Dreeshen  
 Duncan (Vancouver Island North)  
 Dykstra  
 Eyking  
 Fantino  
 Finley (Haldimand—Norfolk)  
 Freeland  
 Gallant  
 Gill  
 Goguen  
 Goodale  
 Gosal  
 Grewal  
 Harris (Cariboo—Prince George)  
 Hayes  
 Hillyer  
 Holder  
 James  
 Kamp (Pitt Meadows—Maple Ridge—Mission)  
 Kenney (Calgary Southeast)  
 Komarnicki  
 Lamoureux  
 Lebel  
 Lemieux  
 Lizon  
 Lukiwski  
 MacAulay  
 MacKenzie  
 Mayes  
 McColeman  
 McLeod  
 Merrifield  
 Moore (Port Moody—Westwood—Port Coquitlam)  
 Murray  
 Norlock  
 O'Connor  
 Opitz  
 Paradis  
 Poilievre  
 Raitt  
 Rathgeber  
 Reid  
 Richards  
 Saxton  
 Schellenberger  
 Sgro  
 Shipley  
 Simms (Bonavista—Gander—Grand Falls—Wind-  
 sor)  
 Sopuck  
 St-Denis  
 Strahl  
 Tilson  
 Trost  
 Trudeau  
 Uppal  
 Van Kesteren  
 Vellacott  
 Warawa  
 Watson  
 Williamson  
 Woodworth  
 Young (Oakville)  
 Zimmer — 176

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

\* \* \*

### CANADA-HONDURAS ECONOMIC GROWTH AND PROSPERITY ACT

The House resumed from June 9 consideration of the motion that Bill C-20, An Act to implement the Free Trade Agreement between Canada and the Republic of Honduras, the Agreement on Environmental Cooperation between Canada and the Republic of Honduras and the Agreement on Labour Cooperation between Canada and the Republic of Honduras, be read the third time and passed.

**The Speaker:** Pursuant to order made on Monday, June 9, the House will now proceed to the taking of the deferred recorded division on the motion at third reading stage of Bill C-20.

● (2340)

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

*(Division No. 201)*

## YEAS

## Members

Ablonczy  
 Adler  
 Albrecht  
 Allen (Tobique—Mactaquac)  
 Ambrose  
 Anderson  
 Armstrong  
 Aspin  
 Bélanger  
 Benoit  
 Bernier  
 Block  
 Braid  
 Brison  
 Brown (Newmarket—Aurora)  
 Butt  
 Calandra  
 Cannan  
 Carrie  
 Chisu  
 Clarke

Adams  
 Albas  
 Alexander  
 Ambler  
 Anders  
 Andrews  
 Ashfield  
 Bateman  
 Bennett  
 Bergen  
 Bezan  
 Boughen  
 Breikreuz  
 Brown (Leeds—Grenville)  
 Brown (Barrie)  
 Byrne  
 Calkins  
 Carmichael  
 Casey  
 Chong  
 Crockatt

Allen (Welland)  
 Ashton  
 Aubin  
 Blanchette  
 Boivin  
 Boutin-Sweet  
 Brosseau  
 Cash  
 Chisholm  
 Christopherson

## NAYS

## Members

Angus  
 Atamanenko  
 Benskin  
 Blanchette-Lamothe  
 Boulterice  
 Brahma  
 Caron  
 Chicoine  
 Choquette  
 Cleary

*Adjournment Proceedings*

Comartin	Côté
Crowder	Cullen
Davies (Vancouver Kingsway)	Davies (Vancouver East)
Day	Dewar
Dionne Labelle	Donnelly
Doré Lefebvre	Dubé
Duncan (Edmonton—Strathcona)	Dusseault
Fortin	Freeman
Garrison	Genest
Genest-Jourdain	Giguère
Gravelle	Groguhé
Harris (Scarborough Southwest)	Harris (St. John's East)
Hughes	Hyer
Jacob	Julian
Kellway	Lapointe
Larose	Laverdière
LeBlanc (LaSalle—Émard)	Leslie
Liu	Mai
Marston	Martin
Masse	Mathysen
May	Michaud
Moore (Abitibi—Témiscamingue)	Morin (Chicoutimi—Le Fjord)
Morin (Notre-Dame-de-Grâce—Lachine)	Morin (Laurentides—Labelle)
Morin (Saint-Hyacinthe—Bagot)	Mulcair
Nash	Nicholls
Nunez-Melo	Papillon
Patry	Péclet
Pilon	Plamondon
Quach	Rafferty
Rankin	Ravignat
Raynault	Rousseau
Saganash	Scott
Sellah	Sims (Newton—North Delta)
Sitsabaiesan	Stewart
Sullivan	Thibeault
Toone	Tremblay
Turmel— 93	

## PAIRED

Nil

**The Speaker:** I declare the motion carried.

(Bill read the third time and passed)

**Hon. John Duncan:** Mr. Speaker, I believe if you seek it, you would find unanimous consent to see the clock at 12:00 a.m.**The Speaker:** Is it agreed?**Some hon. members:** Agreed.**ADJOURNMENT PROCEEDINGS**

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[*Translation*]

## TOURISM

**Ms. Annick Papillon (Québec, NDP):** Mr. Speaker, I asked the tourism minister to fix his mistakes and stop bragging about cutting the Canadian Tourism Commission's budget by 20% or one-fifth.

This week is Tourism Week in Canada, and it is high time that the minister took responsibility and that the government invested in our tourism industry, which creates many good jobs in every region of the country and promotes the development of our SMEs, the country's main economic engine.

We must keep the industry competitive and take note of the Rozon report, for example. There is no good reason to cut the commission's budget by 20%. These cuts will have a disastrous effect on the industry. The funding must continue so that our country remains

competitive internationally. There is a lot of competition, and the government must invest rather than making cuts. The government must do something about the fact that this industry is underfunded. Tourism is suffering greatly right now because of the Conservatives' lack of interest in this industry.

In 2013, the number of tourists who visited Canada increased by 2.9%, which is woefully inadequate when compared to the fact that the number of international tourists increased by 5% elsewhere in the world. It is unbelievable.

Furthermore, from 2002 to 2012, the number of international visitors to Canada dropped, and Canada fell from 7th to 16th out of the top 20 countries. In 2013 we dropped again to 17th place. If we do not do something now, we will plunge even further down the list and we will never be able to recover from where we have fallen these past few years.

That is why the situation is urgent and worrisome. Hotels, the Office du tourisme, the Canadian Tourism Commission, restaurants and everyone who participates directly or indirectly in this industry will suffer.

In order to get back into the top 10 international tourist destinations, we need to continue making investments. I have a table from the Canadian Tourism Commission that supports what I am saying. If we had maintained or improved our investments in tourism, our increase would have been higher than global growth, since our share of the market was 25% in 1996 before dropping to 12.5% in 2011.

Canada will once again lose one-quarter of its share of the market for long-haul international trips by 2015. That is a loss of 1.2 million potential visitors and \$834 million in new export earnings. We need to do everything we can not only to maintain investments, but also to improve this industry. The industry could certainly use it.

● (2345)

[*English*]

**Hon. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs and for International Human Rights, CPC):** Mr. Speaker, I am happy to respond to the comments made earlier by the hon. member regarding tourism marketing.

Tourism is an important sector for all regions across Canada. The Government of Canada supports the competitiveness of our national tourism sector and works closely with industry to ensure that Canada remains a top tourist destination. This is exactly what we committed to in last year's Speech from the Throne.

There is plenty of good news on this front. I am pleased to note that the industry continues to grow. In 2013, tourism revenues in Canada increased by 3% to over \$84 billion, and the tourism sector provided more than 618,000 jobs.

*Adjournment Proceedings*

To sustain the growth and positive momentum of our tourism sector, the Government of Canada launched the federal tourism strategy in 2011. The strategy positions Canada's tourism sector to take advantage of international growth opportunities. So far it has yielded tangible results to reduce barriers that were hampering the performance of the sector. For example, we have signed 80 air transport agreements with top priority markets such as China, India, and Japan. There are also a growing number of visa application centres worldwide.

We have a very talented marketing agency that does a great job of attracting international tourists to Canada. The Canadian Tourism Commission promotes Canada as a premier tourist destination in priority markets around the world, some of which have shown impressive growth. For example, the number of visitors from China grew by over 22% last year. India is another market that is showing great growth potential. That is why the Minister of State for Tourism led a tourism stakeholder mission to India in February 2013.

The Canadian Tourism Commission has also been successful in attracting meetings, conventions, and business travellers to Canada, which together generated \$120 million in revenue last year. In fact, the CTC played a central role in convincing the internationally renowned TED Conference to relocate to Vancouver from its home in California this year and in 2015. This was a huge win for Canada.

Furthermore, the Canadian Tourism Commission's business model allows it to adapt quickly to changing market conditions and to leverage new opportunities as they arise. In fact, the CTC leveraged 80¢ in contributions from industry partners for every dollar of appropriations in 2013, allowing for a greater marketing and advertising reach for Canadian tourism.

Last year the Canadian Tourism Commission's partners contributed \$47.7 million to its marketing activities and events.

Tourism in Canada is growing. At the same time, our industry is facing increased competition worldwide. To be successful, Canada's tourism industry must innovate and adapt to offer the memorable experiences travellers are seeking. Governments can help by creating an environment for our tourism businesses to compete and thrive.

• (2350)

[*Translation*]

**Ms. Annick Papillon:** Mr. Speaker, I think that this government is hiding its head in the sand like an ostrich. It has blinders on. However, it must take action now.

There is no doubt that this government has done absolutely nothing. It caused particular harm to the tourism industry with its employment insurance reform. It also refused to improve the condition of Parks Canada infrastructure. Parks Canada needs

ongoing investments to update its facilities and make it easier to access the parks. The government could also make it easier for Mexicans to get visas, for example, because we know that the industry is asking for that. The temporary foreign worker program is now in complete disarray. This is obviously having an impact on the tourism industry in my riding and likely in the ridings of many members here.

If the government does not take action to defend the industry, we will suffer for it later. For example, the government made cuts to the International Festival of Military Bands in Quebec City, which brought in about \$12 million and cost about \$3 million. There are other examples of similar situations. The government is depriving the country of extra money.

It is a shame and a disgrace, and it is what we call burying one's head in the sand.

[*English*]

**Hon. Deepak Obhrai:** Mr. Speaker, I know it is late at night, but I can assure the hon. member that my head is out looking at these things. It is not in the sand, as she said.

Let me say that there is plenty of good news to report about tourism in Canada. The industry continues to grow, as I have stated. In 2013, tourism revenues in Canada increased by 3% to over \$84 billion.

We also have a very talented marketing agency, which does a great job of attracting international tourists to Canada. The Canadian Tourism Commission continues to promote Canada as a premier tourist destination in priority markets around the world, some of which are showing impressive growth.

Canada has one of the strongest country brands in the world. Our government is committed to working with our provincial and territorial counterparts as well as with the tourism industry to ensure that Canada remains a top tourist destination.

**The Deputy Speaker:** The hon. member for Esquimalt—Juan de Fuca not being present to raise during the adjournment proceedings the matter for which notice has been given, the notice is deemed withdrawn.

[*Translation*]

Pursuant to order made Tuesday, May 27, 2014, the motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 11:53 p.m.)



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