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Speaker: The Honourable Geoff Regan

Income Tax Act

The House resumed from June 17 consideration of the motion that Bill C-2, An Act to amend the Income Tax Act, be read the third time and passed.

Ms. Dianne L. Watts (South Surrey—White Rock, CPC):

Mr. Speaker, I will be splitting my time with the member for Saskatoon—Grasswood. I rise in the House today to speak to Bill C-2, an act to amend the Income Tax Act.

This legislation slashes the contribution limit for the tax-free savings account from \$10,000 to \$5,500. The rationale behind this cut, as we have heard many times from the Prime Minister, the Minister of Finance, and other ministers is that the tax-free savings account is only for wealthy Canadians, and no one has an extra \$10,000 just laying around.

This rationale could not be further from the truth. Seniors are saving for their retirements, students are saving to pay for their educations, new parents are saving for their children, and young entrepreneurs are saving to start a business.

In my riding of South Surrey—White Rock, it is the seniors who will be hit the hardest by the legislation. Constituents in my riding overwhelmingly do not support this change. A report from the parliamentary budget officer back in 2015 stated that middle-income earners and Canadian seniors were benefiting the most from the tax-free savings account. This report also stated that raising the limit to \$10,000 would benefit middle-income earners and seniors even more in the long term. This is exactly what the Conservative government did. We raised the limit to \$10,000 to benefit seniors and the middle class.

However, I hear from the Liberal government that the tax-free savings account, again, only benefits the rich and therefore needs to be cut in half. It is the same thing with small business. We heard from the Liberal government that small business is only a tax haven for the rich. I cannot help but wonder where and how it is getting its information, because it is contrary to the

parliamentary budget officer, contrary to experts in the banking industry, and frankly contrary to plain old common sense.

Let us talk about the so-called tax cut for the middle class. Again, we heard over and over again that the tax cut, which is also included in this bill, would be revenue neutral and would not cost Canadians anything. This statement is simply not true. The finance minister has since amended his comments and stated that his plan is not revenue neutral, and in fact it will cost Canadian taxpayers at least \$1 billion. However, in a report from the parliamentary budget officer, it is stated that the figure is \$1.7 billion.

Now we have gone from revenue neutral to costing the taxpayers \$1.7 billion. However, it gets even better for taxpayers and those who are losing their jobs. The Liberal government told taxpayers that for a tiny deficit of \$10 billion, infrastructure projects would be built and the economy would flourish. Again, that is not true.

From a balanced budget with a \$1-billion surplus, the condition that we left our finances in, as stated numerous times by the parliamentary budget officer, the Liberal government burned through the \$1 billion, racked up a \$30-billion deficit, and we are still waiting for the infrastructure projects.

The Liberals have decreased the ability for seniors, middle-class families, and students to save, and increased the debt burden on every Canadian through reckless spending, as well as removing the tax credits for post-secondary tuition, school textbooks, and for sports and arts programs for children. They also increased the contributions to the CPP, and \$6.7 billion has been spent or committed overseas. Just today, the Prime Minister announced over \$450 million to the UN. That raises the total to over \$7.1 billion.

Further to that, recently announced by the Prime Minister, an eight-month-old Asian infrastructure investment bank initiated by the Chinese government will see approximately 2.9 billion of Canadian taxpayer dollars for infrastructure built in Asia. It is important to note that all of these figures are only what is publicly being pledged. As we know, not all government spending is announced publicly.

There is only one question to ask: what tax increases will the Liberal government implement in order to pay off the debt? It will have to be paid off. I remind the government that there is only one taxpayer and it is not their money.

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

Mr. Speaker, we talk about being out of touch with real Canadians and we see that demonstrated by yet another Conservative speaker.

On the one hand, the member is saying that seniors are going to be most negatively affected by this government, when in fact the most vulnerable of seniors, the ones receiving the guaranteed income supplement, are seeing a larger increase than the Harper government ever gave to seniors. If she was in touch with the seniors in her community and if Conservatives listened to what their communities were saying, they would hear that the Government of Canada is in fact addressing many of the needs of our seniors.

The member made reference again to the deficit. Does she not realize that the Conservative Harper government had over \$160 billion, more than the Chrétien and Martin governments. Only the Chrétien and Martin governments had balanced budgets.

Is she listening to her constituents?

Ms. Dianne L. Watts:

Mr. Speaker, as my colleague well knows, there was a global recession and Canada fared extremely well as it went through that.

Also, the GIS absolutely helps seniors, but why give with one hand and take away with the other hand?

When we look at how financially prudent the Conservative government was and how our banking system was set up, Canada fared better and were at the top of most countries around the world. I think there needs to be more acknowledgement of the actual facts.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP):

Mr. Speaker, I want to bring it back to the fact that the NDP and the Conservatives seem to be agreeing on at least one thing in this debate, and that is the concern around the fact that this tax break we are hearing of is not revenue neutral and will create an \$8.9-billion deficit that will have to be paid back by all Canadians. The tax break we are hearing about is going to benefit wealthier Canadians.

The member's colleague who spoke previously mentioned the fact that there are many large profitable Canadian corporations that are getting off very lightly in terms of taxes. Canada has some of the smallest corporate income taxes in the world. I wonder if the member would comment on the NDP proposal to raise those corporate income taxes by 0.5%, which would help cover this shortfall and help real middle-class Canadians in their tax savings.

Ms. Dianne L. Watts:

Mr. Speaker, I think they need to go back to the drawing board. The Liberals have taken away tax credits for kids and added additional CPP contributions. They are all over the map on a number of things. There has to be a broad plan outlining exactly what it looks like, how much is being spent, how much is being borrowed, what the income is, and a plan to pay it back. It needs to be looked at broadly by people who actually know what they are doing.

Mr. Kevin Lamoureux:

Mr. Speaker, my colleague just reminded me about first responders and how important it is that we recognize that when we talk about the middle class we are talking about factory shop workers, police, health care workers, and many different professions both in the private and public sectors. They all would benefit. Actually, they have benefited because this bill took effect in January of this year so they are all getting more money in their pockets.

Why would she oppose putting more money in the pockets of the types of individuals I just listed?

Ms. Dianne L. Watts:

Mr. Speaker, I guess the point is this. All of us support our first responders and all of us want to ensure they are well supported and well paid in the jobs they do. However, the Liberals' so-called tax cut would benefit everybody over \$100,000. Again, they have to look at it with some critical thinking and through a lens that makes sense, and certainly this does not make sense.