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Speaker: The Honourable Geoff Regan

Budget Implementation Act, 2016, No. 2

The House resumed from November 1 consideration of the motion that Bill C-29, A second Act to implement certain provisions of the budget tabled in Parliament on March 22, 2016 and other measures, be read the second time and referred to a committee, and of the amendment.

Ms. Dianne L. Watts (South Surrey—White Rock, CPC):
Mr. Speaker, Bill C-29 aims to implement a series of budget measures and tax changes in budget 2016, which was tabled in Parliament on March 22 of this year. We have heard from the government over the course of this year how going into debt would help the economy and would create jobs. We also heard from the government how increasing taxes would help the economy and the middle class and create jobs. We heard from the government how the tax-free savings account was not for seniors and not for students and not for people trying to save and get ahead, and therefore, it could be cut in half and it really would not make any difference.

Then we heard from the Prime Minister on September 8, 2015, while he was being interviewed by Peter Mansbridge, “a large percentage of small businesses are actually just ways for wealthier Canadians to save on their taxes”. Now even though there are 1.14 million small businesses in Canada, employing 8.2 million people, plus another 2.3 million people employed in medium-sized businesses, those small businesses did not get the reduction in taxes as promised in the platform by the Liberal government and to be clear, the promise was to reduce the small business tax from 11% to 9%, to assist with job creation. However, that did not happen.

Instead, the Liberals increased the CPP contribution so that workers would have to pay more and see less of their paycheques, and employers will also have to pay more, which goes against the internal documents from Finance Canada. Those documents show that financial officials advised the minister that higher CPP premiums will reduce job growth until 2035. That advice was ignored.

The government decided to implement the so-called tax cut for the middle class and then announced to the general public it was going to be revenue neutral. The plan is not revenue neutral. A report from the parliamentary budget officer puts the cost at $1.7 billion, which is now added to the growing tax burden for Canadians.

However, it gets better. The Liberal government told taxpayers that for a tiny small deficit of $10 billion, infrastructure projects will grow the economy and create jobs. The Liberals burned through a $1-billion surplus and created a deficit that is over $30 billion, but it still gets better. With all these job-creating measures the government has come up with, one would think that jobs were really being created. This is not so. A report just released last week by the parliamentary budget officer states that job creation over the past year was half of what it was over the past five years and that there have been no net new full-time jobs.

The Liberal job creation plan is simply not working.

Let us just recap. We have a $30-plus billion deficit, $7.1 billion spent overseas, $2.9 billion committed to an Asian infrastructure bank, new housing rules that will cost the economy $6 billion by the end of 2018, a national carbon tax that will increase the cost of heating, groceries, and gas, and just announced yesterday by the Minister of Finance was that he has spent the $6-billion contingency fund and is borrowing another $32 billion. As well, $15 billion is being put into a newly created infrastructure bank and the $15 billion “will be sourced from the announced funding for public transit, green infrastructure, social...and rural and northern communities”.

We already have a structure in place with $1.3 billion available and it is called P3 Canada. It was specifically set up to leverage private sector dollars. Pension funds can invest anywhere they choose; they do not need an infrastructure bank. That was stated by the CEO of the largest pension fund in Canada.

Let us hear from the experts. Craig Alexander, chief economist at the Conference Board of Canada stated, “The part of the fiscal plan that hasn't shown up is the infrastructure spending”. Stephen Poloz, Bank of Canada governor, said that in the data “there are no signs yet” of a boost to grow. Benjamin Reitzes, senior economist from the Bank of Montreal, said, “It's certainly very fair to say that impacts were overestimated”. The TD Bank and the Bank of Montreal projected that the government spending plan would add less to growth in 2016 than the finance department or the Bank of Canada had estimated. They have now publicly called on the government to halt additional spending.

There is a way to stimulate the economy and create the environment for job growth and job creation. The Liberal way is just not that way. Governments do not create jobs. Governments create environments in which job creation either flourishes or it stagnates. Unfortunately, what we are seeing from the current government is stagnating the environment for job growth through out-of-control spending, deficits, higher taxes, red tape, and frankly, not knowing what job creation really means.

Creating the environment for job growth means low taxes, less red tape, working with all levels of government to create livable cities, transportation to move people and goods to market, and fiscal responsibility to pay down any debt and balance the budget. In the worst economic downturn since the Great Depression, the Conservative government had the lowest taxes in 50 years, balanced the budget, completed over 7,500 infrastructure projects, and created the environment for 1.3 million new jobs. That is how it is done.

Mr. Wayne Long (Saint John—Rothesay, Lib.):

Mr. Speaker, I stand back and I marvel at times at the Conservative Party's view that it was such a steward of the economy. We certainly saw over 10 years what regressive policies have done for the country: two recessions and a budget that was balanced at the last moment via the shell game I talked about yesterday.

The party opposite is so big on saying that our grandkids are going to have to pay for this and that we are mortgaging our children's future. However, it was the Conservatives' own finance minister, when they doubled the TFSA or tried to, who said that Stephen Harper's grandkids could pay for that.

I am going to ask the member opposite how she squares that her own former finance minister, in the past, said that Stephen Harper's grandkids could pay for the Conservatives' promises, yet for us it is the opposite. I wonder if the member can comment on that.

Ms. Dianne L. Watts:
Mr. Speaker, I am pleased that my colleague marvels at us Conservatives.

We will talk about the TFSA because in my riding I have a lot of seniors, and one thing they really wanted was to have the contribution amount left at $10,000. Unfortunately, it was the Liberals who went on this rant that nobody had $10,000 just hanging around. That was not what it was for. It was for seniors. It was for students. It was for people who were trying to save. That is exactly what we put in place. We had the lowest taxes in 50 years and created 1.3 million jobs. I am sorry, but I do not know how that is wrong.

Mr. Gord Johns (Courtenay—Alberni, NDP):
Mr. Speaker, I think my hon. colleague and I both share concerns about the huge debt that families are seeing. Especially over the last year, families have been carrying enormous debt. With that, we are seeing a significant increase in the rate of child poverty in Canada, which is estimated to be as high as 11.2% by the Minister of Families, Children and Social Development. In my riding of Courtenay—Alberni, in Alberni itself one-third of the children living in Alberni Valley are living in poverty, and one in five children in Courtenay are living in poverty.

I know the member cares a lot about child poverty so I want to ask her this. Why did the child poverty rate become so high under the Harper government? Maybe the member can answer some of the questions I have around that.

Ms. Dianne L. Watts:
Mr. Speaker, actually Statistics Canada shows the child poverty rate went down overall. However, I would also admit that was not in all communities.

As the former mayor of the city of Surrey, we created our child poverty reduction plan. We have to look at each community in a different way. As we look at the country as a whole, there are measures we can put in but we have to work together with communities to make sure we are taking care of those left vulnerable. I am sure the member knows from his community the great work of Clyde Hertzman, who had a benchmark that looked at all the indicators that were causes of child poverty. We cannot take our foot off the gas on this issue. We have to continue to ensure that our kids and our communities are resilient, and that our kids are school-ready when they get into kindergarten.

Mr. John Nater (Perth—Wellington, CPC):
Mr. Speaker, I met this morning with a particularly troublesome constituent to speak about the debt the Liberal government is accumulating. My two-year-old daughter wanted to know whether or not the member agrees that saddling her generation with multiple billions of dollars of debt and $10 billion to $15 billion more in debt financing charges is fair to her generation, and our children and grandchildren.

Ms. Dianne L. Watts:

Mr. Speaker, I have met the member's beautiful daughter, and it just breaks my heart to know that child is going to grow up with that kind of debt.

When we see a government that has absolutely no plan to pay down the debt or to balance the budget, that it is not even on the horizon, this should be troublesome to every single Canadian across the country, because it will come back to haunt each and every one of us, our children, and our grandchildren.

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