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OFFICIAL REPORT
(HANSARD)

Tuesday, March 4, 2008

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, March 4, 2008

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)
[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to one petition.

* * *

FAMILY HOMES ON RESERVES AND MATRIMONIAL INTERESTS OR RIGHTS ACT

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC) moved for leave to introduce Bill C-47, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves.

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

* * *

NATIONAL FISH AND WILDLIFE HERITAGE COMMISSION ACT

Hon. Larry Bagnell (Yukon, Lib.), seconded by the member for Yorkton—Melville, moved for leave to introduce Bill C-522, An Act to establish a National Fish and Wildlife Heritage Commission and to re-establish the Survey on the Importance of Nature to Canadians.

He said: Mr. Speaker, as co-chair with the member of the outdoors caucus, I am very happy to introduce this bill to establish a wildlife heritage commission and also a survey of how important outdoor activities are to Canadians.

Millions of Canadians participate in hunting, fishing and outdoor activities. It is a huge component of our tourism industry and it is very important that we do a lot of conservancy to preserve these resources, to make sure harmful species are not introduced, to make sure youth are involved in these activities, and to make sure there is

no derogation of aboriginal rights. This is a very exciting initiative. I look forward to the support of the entire House.

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

* * *

IMMIGRATION AND REFUGEE PROTECTION ACT

Mr. Omar Alhabra (Mississauga—Erindale, Lib.) moved for leave to introduce Bill C-523, An Act to amend the Immigration and Refugee Protection Act (certificate and special advocate) and to make consequential amendments to other Acts.

He said: Mr. Speaker, I am pleased to have the opportunity to table a bill to amend security certificates after the Conservative government chose to suffocate debate on Bill C-3, which has just passed. Even Conservative Senator Nolin acknowledged that he had to hold his nose and adopt that bill because of the lack of time provided by the government.

Witnesses before legislative committees provided us with compelling evidence on why the law formerly known as Bill C-3 is flawed. This debate is not over. Canadians deserve a more fulsome discussion. This is my contribution to the debate. It is based on recommendations I gathered from legal experts.

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

* * *

[Translation]

PETITIONS

PHOSPHATES

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, I am very pleased to table a petition today with thousands of signatures.

The petitioners are calling on the Government of Canada to assume its responsibilities and act quickly to eliminate dishwasher and laundry detergents containing phosphates.

I remind members that this petition was presented as part of the initiative of the Bloc Québécois. The government committed to changing its regulations. It did so a few weeks ago, but these petitions are calling for a complete ban on the sale and import of dishwasher detergents containing phosphates.

S.O. 52

[English]

RIGHTS OF THE UNBORN

Mr. Rick Casson (Lethbridge, CPC): Mr. Speaker, I would like to present a petition today that has been put together by people from the great community of Coaldale in my riding, the community known as the “Gem of the West”. These people call on Parliament to enact legislation which would recognize unborn children as separate victims when they are injured or killed during the commission of an offence against their mothers, allowing two charges to be laid against the offender instead of just one.

SRI LANKA

Mr. Omar Alghabra (Mississauga—Erindale, Lib.): Mr. Speaker, I am pleased to present to the House a petition on behalf of my constituents in regard to the assassination of the chief peace negotiator for the Tamils in Sri Lanka. This petition calls upon the House of Commons to condemn the targeted killing of the Tamil peace negotiator, to request the Government of Canada to exert diplomatic pressure on Sri Lanka to respect the human rights of the Tamil people, and to urge the Government of Sri Lanka to engage in negotiations with the Tamils toward a peaceful political solution.

RIGHTS OF THE UNBORN

Mr. Leon Benoit (Vegreville—Wainwright, CPC): Mr. Speaker, I am very happy to present a petition on behalf of petitioners who have noted that in federal criminal law an unborn child is not recognized as a victim with respect to violent crimes. They point to the situation in Edmonton when Olivia Talbot was shot and killed in November 2005 and her 27-week-old unborn son, Lane Jr., also died. Because the law offers no legal protection for unborn children today, no charge was laid in the death of baby Lane.

The petitioners call upon Parliament to enact legislation which will recognize unborn children as separate victims when they are injured or killed during the commission of an offence against their mothers. Members will have the opportunity to do that tomorrow night on Bill C-484, which is sponsored by the member for Edmonton—Sherwood Park.

●(1010)

Mr. Rob Merrifield: Mr. Speaker, I rise on a point of order. I was unable to be here at the time you asked for reports from committee, so I would ask for unanimous consent of the House to go back to reports from committee. I have a report from the finance committee.

The Speaker: Is there agreement that we revert to presenting reports from committees?

Some hon. members: Agreed.

* * *

COMMITTEES OF THE HOUSE

FINANCE

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, pursuant to Standing Order 97.1, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Finance, requesting an extension of 30 sitting days to study Bill C-305, An Act to amend the Income Tax Act.

The Speaker: Pursuant to Standing Order 97.1(3)(a), a motion to concur in this report is deemed to have been moved, the question deemed put and the recorded division deemed demanded and deferred until Wednesday, March 5, immediately before the hour provided for the consideration of private members' business.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[Translation]

REQUEST FOR EMERGENCY DEBATE

FISHERIES

The Speaker: The Chair has received a request for an emergency debate from the hon. member for Gaspésie—Îles-de-la-Madeleine.

I am now ready to hear his arguments.

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, pursuant to Standing Order 52, I request an emergency debate on the agreement on subsidies and countervailing measures, which the World Trade Organization is discussing in relation to fisheries subsidies.

The situation is critical. There are texts circulating that call for the prohibition of subsidies, which would threaten the future of the fishery not only in Quebec, but in Canada. The texts mention subsidies in three areas. The first is infrastructure. As hon. members know, without wharves, there is no fishery. If we do not subsidize infrastructure, the future of the fishery is in danger.

One text mentions that the prohibition might apply to subsidies for the purchase, renovation and restoration of fishing boats. As in the case of infrastructure, without fishing boats, there is no fishery, because companies depend on financial assistance.

The third area is income support. As hon. members are aware, this could affect employment insurance.

Negotiations are under way at the WTO, and texts are being produced as a result. It is important and urgent that we discuss these texts now, in order to verify the nature and scope of the mandate given to our chief negotiator and to find out the government's position on this urgent and important issue.

The Speaker: I have considered the hon. member's request. I have read the letter he wrote me, and I have also heard his arguments this morning. In my opinion, this is not an urgent matter at this time. I am therefore refusing his request.

However, I should mention that I have received a notice from the Leader of the Government in the House of Commons indicating that tomorrow will be an opposition day, and I believe that it is the turn of the member's party to choose the motion that will be debated tomorrow. If this is an urgent matter, perhaps he can persuade his colleagues to introduce such a motion, and we will have the whole day tomorrow to debate this issue.

In my opinion, I must leave this in the members' hands for the time being. That is my decision.

* * *

●(1015)

[English]

POINTS OF ORDER

PROCEEDINGS IN STANDING COMMITTEE ON ACCESS TO INFORMATION,
PRIVACY AND ETHICS

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, yesterday another colleague in the House rose on a point of order involving the mandate of a committee. I thought it might be helpful to the Chair if I provided a few more remarks which I felt yesterday were not fully addressed.

The question involves the operation of a committee and whether the committee is operating within its mandate and whether or not a committee when it drifts outside of its specific mandate should be communicated with by the House in some way.

I know, Mr. Speaker, you are reluctant and naturally so to interfere with the work of committees. They generally do a pretty good job of carrying on the work that is delegated to them by the House.

The first thing I want to mention of course is the very basics here, the rules of the House. Mr. Speaker, you will know very clearly that the work of the committees is set by orders of reference and Marleau and Montpetit fortunately speak to this fairly clearly. I am not too sure I have to read Marleau and Montpetit, but I will refer to the page numbers just for reference here in the discussion.

On page 853 it states: "The Standing Orders provide standing committees with permanent orders of reference—" and on page 854, the authors write: "Committees are bound by their orders of reference and may not undertake studies or make recommendations to the House which go beyond the limits established by them".

In this case the particular committee is the Standing Committee on Access to Information, Privacy and Ethics. That particular committee has adopted a motion the contents of which were made available to the House yesterday which purports to, and I will just use the short form here, "investigate the fundraising practices of the Liberal Party".

That motion of the committee which was adopted has been provided to the House and, Mr. Speaker, if you want me to read it I can, but I probably do not have to.

Mr. Speaker, you are indicating that I should read it. The motion that was adopted states:

That pursuant to Standing Order 108(1)(a) in relation to the conflicting reports about the fundraising practices of the Liberal Party, the committee investigate the fundraising practices of the Liberal Party of Canada, which - as evidenced by such

Points of Order

recent events as, the February 13, 2008 Fundraising Auction at the Ottawa Congress Centre, the "Stéphane Dion's Liberal Leaders Dinner" event of February 21, 2008, which accepted corporate money though the federal branch of the Liberal Party of Canada in Saskatchewan, the Halloween Spooktacular Carnival in Mississauga-Streetville of October 26th, 2007, which accepted corporate sponsors, and other prior events - potentially violate the Canada Elections Act by encouraging and allowing personal donations in excess of \$1,100 dollars, as well as allowing and encouraging political donations from corporations, unions and associations.

Essentially, it is a Canada Elections Act fundraising focus. Mr. Speaker, you will be the judge of what that appears to be.

In adopting the motion, I am suggesting that the members have gone way beyond the mandate of the committee. The committee's mandate is contained in the Standing Orders. It does not have any specific other reference or guidance from the House in terms of its order of reference.

Mr. Speaker, if you read the order of reference from Standing Order 108(3)(h), you will find that there is really only one sub-category, 108(3)(h)(v) and (vi), which could in any way relate to what the committee is now purporting to do. I will just read subparagraph (vi):

the proposing, promoting, monitoring and assessing of initiatives which relate to access to information and privacy across all sectors of Canadian society and to ethical standards relating to public office holders;

●(1020)

I would accept that if the proposed work of the committee had to do with public office holders there might be a connection. But in fact, the term "public office holders" is defined by the Conflict of Interest Act. It is defined in the definition sections of that statute and does not have a particular section number. However, it is clear that the Liberal Party of Canada is not a public office holder. Public office holders are generally appointees of the government: ministers and parliamentary secretaries.

The focus of the committee's motion here is the Liberal Party of Canada. It is not a public office holder, so there is no reasonable reading of these rules that would allow the committee a mandate to do this type of inquiry.

I suggest that if the committee can clearly go beyond its mandate, then the committee can look at the fundraising efforts of the United Nations Children's Fund in Canada, the National Citizens' Coalition, charitable and political action groups across the country, and it might as well just go and study the Department of National Defence or the employment insurance fund. Once the committee goes beyond its mandate, it is simply beyond its mandate.

The point I want to try and make very clearly here is that the House should not allow its committees to do that. That would seem to be obvious. When a committee appears to be going beyond its mandate, I believe the House leadership should take steps to recalibrate the committee's focus to ensure that the committee stays within its mandate.

I am suggesting that this committee is on the verge of going rogue. In this particular case, the committee overruled its own chair. The chair believed that this motion and this field of study was beyond the committee's mandate, and ruled it that way. The committee members overruled the chair. That is what I am told. I believe this is a very clear case.

Points of Order

Just as another benchmark, the procedure and House affairs committee, which does have a mandate to look at the Canada Elections Act and financing and fundraising of political parties, is currently doing a study on the issue of political party fundraising. So it is not as though the issue of political party fundraising is not covered in the Standing Orders. It is very clearly part of the mandate of the procedure and House affairs committee.

I am going to ask you, Mr. Speaker, to either make a ruling on this for the guidance of the House and the committee or, in collaboration with the House leaders or the members of the committee, effect some form of reconsideration of their decision to embark on this particular field of study simply for the purpose of following the rules of the House which are fairly flexible but clear, in this case.

I think your guidance to the committee would be very helpful in allowing the committee to get on and do the work it is supposed to be doing.

The Speaker: I have a question for the hon. member for Scarborough—Rouge River. Does he have any precedent where a Speaker has made a ruling to indicate that a committee has exceeded its jurisdiction?

Mr. Derek Lee: Mr. Speaker, I am very sorry that I do not. It is not something that appears to have happened a great deal. I must say I have not spent hours and hours of research, but I did take a look at the usual sources and did not find this.

It would seem to me to be pretty obvious. If we simply follow the wording in Marleau and Montpetit, which attempts to package all of the historic precedents, we follow here in the House a rule of law and a committee has to stay within its mandate.

In this particular case, should the committee embark without a mandate, it would be in keeping for a person invited or summoned to the committee to simply say, "I am sorry, I do not hear you, Mr. Committee Chair because you are operating outside your mandate. You are rogue. You are not following the rule of law. I might just as well respond to a television reporter than respond to a committee that is clearly operating outside its mandate".

I will accept any reasonable linkage of the mandate to this particular study, and I am sure, Mr. Speaker, you would too. I am sorry that I just do not have a really useful bang-on precedent that would serve at this point.

● (1025)

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I thank my hon. colleague for revisiting a point of order that was first raised yesterday by the member for Mississauga South.

I would like to reiterate some of the arguments that I presented yesterday. The overriding issue is that there has been a long standing practice in this place for the Speaker not to interfere with the business of any individual committee.

Committees themselves, as you well know, Mr. Speaker, are masters of their own fate and of their own agenda. I would suggest even further to that, when my hon. colleague suggested they are exceeding their mandate, he is in fact asking you to prejudice, before

this committee has even demonstrated a linkage to its mandate with this issue, and trying to stop this investigation from happening.

Clearly, the official opposition has some fears perhaps about an examination of its own advertising practices and its own books, and perhaps this is why it is trying to quash the motion right now.

I would point out that if in fact it did not have a difficulty with this, it would have accepted the motion from the procedure and House affairs committee in which the Conservative Party, the government, had suggested that a thorough examination of all political parties and their advertising practices, fundraising included, be engaged, but the opposition party has rejected that motion.

It seems slightly disingenuous for any member from the party opposite to suggest that they have nothing against the motion but perhaps it is just in the wrong committee because it exceeds the mandate of one committee when it should rightfully be within the purview and the mandate of another committee.

They have rejected the procedure and House affairs committee's motion to do exactly what the ethics committee is attempting to do.

Finally, Mr. Speaker, I would point out to you that there have been many times in the past where there has been an overlap of responsibility between committees. I think we all know for an example that some subject material could be examined in the defence committee or it also could be examined in the foreign affairs committee.

There seems to be to me a very obvious linkage between ethical practices of political parties and their fundraising practices, as well as perhaps the procedure and House affairs committee that has a direct mandate to deal with this.

It seems to me perfectly legitimate for the ethics committee to engage in this motion and study. I do not believe it is outside of its mandate, but more importantly, and I keep coming back to this, the primary issue here is whether or not the Speaker should be interfering with a decision made by committee members.

I suggest to you, Mr. Speaker, that it is not appropriate for you to do so. It would be breaking a long standing tradition and practice of the Speaker not getting involved, and I think that is underscored by your very reasonable question to the hon. member as to precedence.

He has not been able to find any precedent, perhaps as he suggests because he has not done appropriate research, but I would suggest there are no real precedents and it would be a dangerous precedent to start if we now had the Speaker interfering in the business of committees.

● (1030)

The Speaker: I thank the hon. member for Scarborough—Rouge River and the Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform for their interventions in this case. I will take both their interventions under advisement as I continue to study the matter.

*The Budget***GOVERNMENT ORDERS**

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from March 3 consideration of the motion that this House approves in general the budgetary policy of the government.

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, I will be splitting my time with the member for Don Valley East.

I am proud to stand in the House to participate in today's debate on the government's budget. I represent the riding of Churchill, which is a diverse and very large riding. It is over half the land mass of the province of Manitoba.

As diverse and complex as Canada is as a nation, our federal budgets are often equally as comprehensive, or at least they should be. We have over 300 unique constituencies in Canada that require different services and programs due to regional, linguistic and many other considerations.

However, despite our vast geographic size, Canadians are united in the mutual understanding and appreciation of our differences. It is perhaps one of our greatest gifts and one of our greatest strengths.

However, after a careful review of the government's budget, it is clear that the budget is not as comprehensive as it should be. It does not include the vision or needs of northern Manitoba and it is yet another lost opportunity to address the challenges and opportunities for Canada's first nations, the Métis nation and the Inuit.

In addition to the fall economic update, the budget demonstrates poor, long term fiscal planning, particularly with a potential U.S. recession, which, today, in one of our national newspapers, is being called a recession. It provides nothing to address poverty, housing and homelessness and it provides nothing for women's equality or for arts and culture. It provides no support for families in regard to early learning and child care.

I want to focus on a couple of items because I have such a short period of time for my speech. I want to discuss the fiscal planning. It is a bit outrageous that the current government inherited from the previous Liberal government a strong economic picture, consecutive balanced budgets and a surplus of \$14 billion.

Had the government been more careful in its previous budgets and its fall economic update, this budget could have addressed the urgent needs of many Canadian communities and families. However, the Conservatives spent all of the surplus and the cupboard is bare, with little focus on vulnerable communities and those most in need.

It is of particular concern that the Conservatives' projected surplus of \$2.3 billion for this year and \$1.3 billion for next year are well below the \$3 billion contingency fund that the Liberal opposition considers the bare minimum to cushion against unanticipated economic shock.

As I said, given the current economic climate in the United States, which is facing a recession, it does not take an economist to understand how dangerous this is.

Moreover, the government lost an opportunity to address Canada's infrastructure deficit through acting on the Liberal proposal to use the \$7 billion of this year's debt pay down to fund infrastructure projects across the country.

I would now like to touch on poverty and low income housing. It is troubling for ridings such as mine and it remains one of the most troubling issues in my riding. While in some communities multiple families are forced to reside together, some individuals and families, tragically, do not even have that option.

Extreme poverty and homelessness continues to exist in the north and it is an element that the budget has once again overlooked. In a country as rich as Canada, it is completely unacceptable.

● (1035)

However, implementing the housing initiatives alone will not tackle the homelessness and the poverty that persists across the country. The Conservative budget does little to alleviate any of poverty's root causes. The only party with both the will and the capacity to actually implement a plan to tackle poverty is the Liberal Party of Canada. I am proud to say that this past year the leader of the official opposition announced a plan to reduce poverty.

I will focus my remaining time on two things: first, the labour market needs of my riding and, second, the aboriginal community within my riding. Sixty-five per cent of the population of my riding of Churchill is comprised of aboriginals and first nations people. We have over 30 first nations, dozens of Métis communities and very strong Métis locals. Again, aboriginal people have been left out of this federal budget.

I would like to quote the AFN national chief who called the federal budget "a bitter disappointment". He said:

It is disheartening that this government sets out reducing the cost of a toaster by a couple cents as a national objective, but not helping First Nations children finish high school or grow up in safe homes. That this government can afford billions of dollars to rebuild Afghanistan but not support schooling, healthcare or jobs for First Nations. It is difficult to believe Canadians support these priorities.

I also would like to quote Sydney Garrioch of the Manitoba Keewatinook Ininew Okimowin who represents 30 first nations in northern Manitoba. He said:

The government's budget does not alleviate poverty in our communities. The lack of substantial funding in the budget announcement for our people does nothing to promote healthy communities. We were optimistic that this government would provide funding and grants to improve crucial housing needs and we were working toward transformative change on health services by building and staffing our own health centres, but the budget does not support this development.

Those are quotes from two leaders of first nations communities in my riding. The impact is devastating for first nations.

The Budget

I will not go on and reiterate the Kelowna accord and the commitments that the previous Liberal government made which amounted to \$5 billion over five years in the areas of housing, health, education, economic development and governance capacity building.

However, in terms of this budget, allocations have been made contingent upon tripartite agreements with the provinces. It is reprehensible that, given the strong financial picture, the government cannot find, not only within its legal responsibility and fiduciary obligation to first nations people, but in terms of an economic picture, the funds to help first nations people.

We have the largest growing demographic of any population in Canada. Fifty percent of aboriginal people, that is first nations, Métis and Inuit people, are under the age of 30. In pure economic terms, it would make economic sense to invest in aboriginal people in Canada.

In terms of my riding, our primary industries include mining, forestry and hydroelectric power and they have labour demands. In 2006, mineral production in northern Manitoba was valued at \$2.1 billion. Some of our mining companies have a combined generated revenue of over \$1.2 billion. With the continued strength in metal prices, we look to labour market partnership agreements to ensure that we can contribute to the economy.

• (1040)

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, listening to the speech by the hon. member brings me to the fact that the budget has no new funding for affordable housing in aboriginal communities, whether on reserve or in big cities such as Toronto, Vancouver, Winnipeg, et cetera.

There is really no new funding for child care, no funding to fight poverty and hardly any investment in young people whatsoever.

My colleague talked about the importance of investing in people who are most disadvantaged, and the aboriginal people are certainly part of them, and yet the hon. member's party has decided to support the budget. I do not quite understand how one can talk about what is wrong with the budget, what is missing from the budget and how it is not fair for working families and yet decide not to oppose such a short-sighted and wrong budget. This budget will put Canada on a completely different track, a track that the NDP believes is totally wrong. I do not know why that hon. member is supporting the budget.

Ms. Tina Keeper: Mr. Speaker, this is an unfair budget. It does not recognize the urgent and dire needs of vulnerable communities in Canada. Without a doubt, some of the poorest communities in this country are in my riding. Adults and children living in my constituency are going without the benefits of the Canada Health Act and basic health services.

I do not know how the member has the audacity to stand and ask me why we are keeping the government in power when it was her party that put the Conservatives in power in the first place. It is beyond me why those members would have the audacity to stand in this House when we are dealing with such critical issues.

I think that party would have a \$350 million election every 18 months if it could because it seems that its game is about its party and not about Canadians. It is going—

The Acting Speaker (Mr. Andrew Scheer): Questions and comments. The hon. member for Yukon.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, when the Conservative government cancelled the Kelowna accord it took \$5 billion away from aboriginal people. This budget has \$660 million, which is about one-tenth of that money, so it leaves the government \$4.3 billion behind what it has taken away from aboriginal people.

I would like to ask my colleague two questions. The first one is with regard to the \$70 million in the educational part of the budget. There are two years to support tripartite agreements with first nations and provinces. What is wrong with the Inuit and the territories? My understanding is that the minister said, in an interview with the *Whitehorse Star*, that was a typo, but I hope it will be officially corrected.

My second question is with regard to Inuit and first nation health programs. The budget states:

...First Nations groups have indicated a willingness to discuss integration of the First Nations and Inuit health programs with provincial health systems....

The federal government deals with first nations and Inuit health right now so to have it dealt with by the provinces would be a major policy change. I am not saying that is good or bad.

I wonder if the member could comment on this huge change that shows up in the budget.

• (1045)

Ms. Tina Keeper: Mr. Speaker, for the price the government pays for its speeches, I am very shocked that there would be a typo.

There are critical health services that come under FINHB, which is for first nations and Inuit people. It is not under Canada's Health Act. It is critical that they are engaging in a discussion together. I have a lot of concern about this because Jordan's principle is still not being addressed by the government. Children with a disability who reside on reserve are not entitled to receive the same health services as all other Canadian children receive.

I have a very difficult time when the government talks about off-loading to provinces.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, on behalf of my constituents of Don Valley East, I am pleased to rise today to provide my comments on the Conservatives' federal budget introduced last week.

I am an accountant by trade and I like to compare numbers, especially when it comes to tax policy. I was therefore surprised when the finance minister seemed particularly sensitive to the criticism that he and the Conservative Party are "blowing the surplus".

Usually a budget speech delivered by a federal finance minister is a well crafted and dignified message intended to assure not only Canadians but also financial markets at home and around the world that the Government of Canada is in full control of its finances and confident of its economic future.

The Budget

The fact that the finance minister found it necessary to fend off critics even before he outlined his budget plan suggests that he is not confident of his numbers and that the prospect of the Conservatives running a deficit is a very real and distinct possibility.

Budget 2008 is the third budget delivered by the Conservatives. After three kicks at the can, one might expect the finance minister to have a better grip on the country's finances and purse strings. Yet, he continues to make some historical gaffes.

For example, I think Canadians will agree that the first disaster was the income trust scandal. Page 32 of the 2006 Conservative election platform entitled "Stand up for Canada" clearly states that a Conservative government would not attack retirement savings by ensuring that it would not impose any more taxes on them.

What is the first thing the finance minister did on October 31, 2006, barely six months after assuming office? He shocked thousands of Canadian investors, many of them seniors who relied on their income trusts for monthly income, by imposing a tax, breaking a campaign promise and wiping out more than \$25 billion in savings overnight. Those seniors have not forgotten that, nor have they forgiven the finance minister, and I do not think they ever will.

Another jewel in the Conservative misstep in its platform was to enshrine property rights in the Constitution of Canada, which it has conveniently dropped.

The Conservatives like sound bites, but these sound bites are not intelligent bites and so the Conservatives have had to flip-flop constantly.

On page 16 of the Conservative election platform under the heading, "Real tax relief for Canadians", it states, "A Conservative government will...eliminate the capital gains tax for individuals on the sale of assets when the proceeds" are delivered.

Canadians have been patiently waiting for years, and while the Conservatives have delivered three budgets, there is absolutely no mention of capital gains relief. Could it be that the Conservatives have broken yet another campaign promise?

Canadians are beginning to literally stand up and take notice. Last year the finance minister made history with his 2007 budget that came along with the curious title of "Aspire". It was the most inflationary budget and the Minister of Finance was called the "biggest spending finance minister since Confederation", by whom? By none other than Andrew Coyne, who at the time was with the *National Post*.

This year budget 2008 is entitled "Responsible Leadership". Let us see what sort of leadership it is. The Conservative government inherited from the previous Liberal government a \$17 billion federal surplus and now, in less than three years, the Conservatives have placed the country dangerously close to a federal deficit.

Let us look back at the economic situation 15 years ago. In 1993 the Liberal government inherited a \$42 billion deficit and a massive federal debt from the Conservative government of Brian Mulroney. It took many painful years to turn the situation around and put Canada back on the path of prosperity. Part of the plan included a guarantee that no less than \$3 billion a year would be taken from the surplus and used to pay down the federal debt.

● (1050)

Now the finance minister is telling us that he can no longer afford to pay off the debt in a balanced and predictable way. According to his predictions, he can only afford to pay \$2.3 billion in 2008-09 and even less, \$1.3 billion, in 2009-10. Is this what the Conservatives call responsible leadership?

The reason the Conservatives' debt reduction plan gradually decreased is precisely that the finance minister has in fact blown the surplus. As my distinguished colleague from Markham—Unionville has astutely pointed out, a \$1.3 billion margin puts Canada perilously close to deficit financing. It takes a crisis like SARS or an ice storm to blow off this surplus.

How could the finance minister be so negligent? Canadians worked hard to get the country back on solid economic footing, and the finance minister and the Conservative government have spent like drunken sailors with nothing to show for it except a potential deficit.

To illustrate how incompetent the finance minister is, let us look at a practical example. In 2006 the finance minister cut the GST by 1% despite advice from economists all across the country that this was a foolish move. Then, to add insult to injury, he increased the income tax rate from 15% to 15.5% for the lowest income bracket and reduced the personal exemption rate.

For people in low and middle income brackets, the effect of the tax increase that these people lost was anywhere from \$122 to \$400. For the same people to take advantage of the GST cut, the low and middle income earners would have to spend \$12,200 or \$40,000. This is bizarre. The only people who could benefit from the GST cut are the wealthy ones.

Instead of helping the most deserving, the finance minister penalizes them, at a time when the federal treasury had \$17 billion in surplus. Why did the finance minister squander away federal reserves without even stimulating the economy? Each 1% cut of the GST costs the federal treasury \$6 billion a year, and since the Conservatives came to office, they have cut the GST twice, creating a federal shortfall of \$12 billion a year.

Who pays for the shortfall? The Canadian taxpayer does, especially when the same economists have repeatedly told the Prime Minister and the finance minister that personal income tax cuts like the ones introduced by previous Liberal governments do far more for the economy than saving one or two cents on a cup of coffee.

Personal income taxes, especially those aimed at low and middle income taxpayers, do more for the economy because Canadians save money before tax. With more money at their disposal, low and middle income Canadians will likely spend or invest that money on their own behalf, therefore stimulating the economy.

The Budget

Budget 2008 is a bare-bones budget. Of the \$22 billion it projects as expenditures, only \$1.4 billion is new money. This is smoke and mirrors. The money for infrastructure, claimed to be \$33 billion over seven years, is really less than \$4 billion because the other money has been there from the cities and communities agenda and a gas tax rebate introduced in the Liberal budget 2004-05.

The Conservative government lacks economic savvy, lacks vision, lacks leadership. The fact is Old Mother Hubbard has gone to the cupboard and found it bare. The Conservatives have blown the surplus and unfortunately, we the Canadian taxpayers will have to suffer the consequences. History repeats itself. Conservative times are deficit times and Conservative times are sorry times.

•(1055)

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I will take one moment to congratulate the new government in Alberta. It was a pretty exciting win we heard about. It is one more reason to celebrate the longevity of Conservative governments not only in Alberta, but we are certainly looking forward to longevity of Conservative governments on the federal scene as well.

I listened very intently to the hon. member for Don Valley East. She talked about how we have not paid down the debt. Thirty-seven billion dollars is what we have paid down to date. As far as the guarantee to pay down at least \$3 billion, if we average this year, which is aggressive but doable, with the next two years' debt reduction, we are still well over an average of \$3 billion a year. Once again, the member made a pretty hollow argument.

I happened to be on a television panel on Friday afternoon with the hon. member from the opposition. She talked about the same false suggestion about the surplus that was handed to the Conservative government. She spoke at that time as if it were her money. I suggested that was the difference between Conservatives and Liberals. We think it is actually taxpayers' money.

I would like the hon. member to please bring us up to speed. I am uncertain after last night whether or not she is supporting this budget or whether she intends to vote.

Ms. Yasmin Ratansi: Mr. Speaker, this is where it is very disconcerting to Canadians because the Conservatives can never accept facts. They want to ignore the facts on any issue, such as the fact that Alan Riddell was paid or Jim Hart was paid. Those facts are real.

The Conservatives have to accept the fact that during very good economic times Mr. Mulroney quadrupled the debt. Conservative governments since Borden, since the time of the sinking of the *Titanic*, have never been able to balance budgets. Now when they have been handed \$17 billion on a silver platter, what do they do? They ignore it.

I would like to bring to the attention of the hon. member that at one point during the Mulroney era, the CPP was totally underfunded and now it is funded for 75 years. It requires leadership; it requires vision; and it requires the commitment of government to move forward with the people. The people in 1993 realized that. This is why they booted out the Conservatives, because they were such terrible economic managers.

I cannot understand why, despite having \$17 billion in surplus, the Conservatives found it necessary to be mean to people who are poor, who are vulnerable. They cut literacy programs. They cut the Kelowna accord. They cut Kyoto. What is their agenda?

•(1100)

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, it feels like the twilight zone here because for 10 minutes I heard how bad this budget is and I heard the member accuse the “new government” of flip-flopping. My gosh, I heard that the Liberal Party does not like the GST cuts, but the Liberals went ahead and voted for the mini-budget anyway. They do not like the GST cut and all of the those cuts and the lack of investment in the poor, the most vulnerable. I heard so much passion there I was stunned and yet the member did not answer whether or not she is going to support the budget.

Ms. Yasmin Ratansi: Mr. Speaker, I think the NDP has no credibility. It goes for opportunism. If those members were so concerned about poverty and the vulnerable, why did they not support the Liberal government when it was dealing with the Kelowna accord and the Kyoto accord? The NDP members have absolutely zero credibility in economics and in anything they say.

[*Translation*]

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I would begin by noting that I will be sharing my time with the member for Rosemont—La Petite-Patrie.

As the member for Montmorency—Charlevoix—Haute-Côte-Nord, it is a pleasure for me to speak to this budget, on which the final vote will take place tonight in the House of Commons. I would simply like to reiterate the traditional position developed by the Bloc Québécois on a series of issues.

Our leader said clearly, before the budget was introduced, that if it met the needs, priorities and expectations of Quebecers, then the Bloc Québécois, in its role as advocate for Quebec in Ottawa, would vote for it, and that otherwise, the Bloc Québécois would vote against the budget, regardless of what position the other two opposition parties took, and whether those members were present or absent for the votes.

That is what we have done. Last night, in the vote on the Liberal amendment, with two exceptions, all of my Bloc Québécois colleagues were present. We will take exactly the same approach tonight. The Bloc Québécois will vote against this budget unless there is a major reversal and there are significant gains for Quebec.

The leader of the Bloc Québécois, speaking for its members in the House, clearly stated the terms on which this budget would be supported. One of the things they called for was significant progress for Quebec on the economy, post-secondary education, housing, social justice, the environment and culture. Our basic premise was that the Conservatives, with the Minister of Finance in the lead, were patting themselves on the back about having a \$12.6 billion surplus for this fiscal year.

The Budget

Our opinion was, and we are still convinced, that the Conservative government has the resources to agree to the reasonable and realistic demands of the Bloc Québécois. However, one of the things this government prefers to do is put all its extra cash towards the debt and that is what will be done with the surplus. It is not that we are opposed to reducing the debt. We have to reduce the debt, but we have to reduce it proportionately. There should be something paid toward reducing the debt, but also some substantial amount put toward improving certain programs and dealing with major crises we are currently experiencing.

In my last few minutes, I would like to come back to two crises, and in particular the crisis in the manufacturing and forestry sectors. I would note, by the way, that the riding I represent here in the House of Commons has been hard hit by the forestry crisis. And second, we have to address the entire question of improving employment insurance. In the riding I represent there are a lot of seasonal workers, and under the current scheme they cannot qualify for employment insurance. Here we are in early March, and before operations start back up in May, seasonal workers will have to get through what is called the spring gap, because the number of benefit weeks is insufficient to cover the time until operations resume. That is why the Bloc Québécois called for the employment insurance scheme to be improved.

However, as I said, this government opted to put all its extra cash towards the debt and to continue reducing taxes paid by the big oil companies, which just go on cheating us. I do not know what the gas price situation is in every riding, but I am certain that all my colleagues must be hearing about rising gas prices when they meet their constituents in the grocery store or the corner store or elsewhere.

• (1105)

We are literally being strangled by the big oil companies.

This government also has its approach to military expenditures. I should say in passing that the Bloc Québécois is not opposed to the troops. When we criticize the Conservative government's military expenditures or its position on Afghanistan, we are immediately told that we are against the troops.

I am sorry, but in the Quebec City area, the Valcartier military base consists mostly of Quebeckers and I want to say again that the Bloc Québécois is very proud of soldiers from Quebec. We can have differences of opinion, though, on the government's approach to Afghanistan. This is very evident if we just remember that since the Conservative government came to power, it has spent \$17 billion on military equipment: tanks, jeeps, aircraft and ships. We know very well that there are a lot of other priorities.

I am running out of time and want to make sure in my remarks on the budget to draw attention to the crisis in manufacturing and especially in forestry. I was very disappointed as well with the billion dollars that the government announced in January and that we passed at the end of the month. Contrary to what the Prime Minister had said, the funds were tied to the budget passing. Finally he realized that it did not make any sense to hold working people hostage by tying the billion dollars to the passage of the budget. Thanks to all the hard work put in by the Bloc members and the premiers of certain provinces, including Quebec and Ontario, the Conservative

government finally listened to reason and no longer made the billion dollars conditional on the budget passing.

In five years we have seen 150,000 jobs lost, most of them in the last two years since the Conservatives came to power. This government does not seem aware of the full extent of the crisis in the manufacturing and forestry sectors.

The most striking evidence of this is the fact that the billion dollars could have been increased in the budget, as the Bloc was demanding, because the method the Conservatives chose to calculate the amounts is unfair to Quebec. It will get only about \$217 million for both its manufacturing and forestry sectors even though it accounts for nearly 33% of the forestry industry in Canada.

We feel that it is totally unfair to base these amounts on a formula that treats all the provinces equally. Some provinces are less affected. I cannot believe that Prince Edward Island will get a standard \$10 million payment, because its forestry sector is less affected than Quebec's, which accounts for almost 33% of the forestry industry in Canada.

I am being signalled that my time is running out and just wanted to finish by saying we would have expected improvements to the employment insurance system because it is ineffective and ill suited to seasonal workers who suffer job losses year after year. That is certainly not by choice. I meet these seasonal workers in my office all the time. If it were possible to fish all year long or work in the forest industry or the tourism industry all year long, these people would rather work all year long.

• (1110)

[English]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, does the member get aggravated when the Conservatives talk about what they are doing for seniors such as helping them get into the workforce?

The Liberals had a pilot project. For months after the Conservatives were in power, they stalled on that. Members of the Bloc Québécois and the Liberal Party kept asking them to do something for seniors. Because of that pressure, the Conservatives finally were forced into doing something, and they put some money forward. Yet when they give their speeches, it is as if they have come upon this on their own and they have done something great.

Does that aggravate the member?

[Translation]

Mr. Michel Guimond: Mr. Speaker, my colleague is talking about the situation with older workers. One of the things the Bloc Québécois wanted was an assistance program for older workers.

The Budget

In reality, when a worker aged 55 and up loses his job, he is essentially forced to turn to social assistance. It is not easy for someone over 55 to find a new job. We hear simplistic comments, like the ones from the member for Jonquière—Alma, who told workers in his region affected by the forestry crisis and workers from the CSN that all they had to do was go work in Alberta. The Prime Minister said the exact same thing to unemployed workers in the Maritimes, telling them to go work in Alberta, where there is a labour shortage. But it is not so easy to split up or uproot a family or a community.

We were hoping for an assistance program for older workers, especially since such a program would cost just \$60 million for all of Canada, at a time when the government has a \$12.6 billion surplus.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I really enjoyed my colleague's speech. It is amazing to think that the House will probably pass this budget even though it does not meet Quebec's needs.

Members of the National Assembly from all three political parties, including Quebec's Minister of Finance, have unanimously condemned this budget. In fact, had this budget been tabled in Quebec's National Assembly rather than in this House, not one single member would have voted for it, and all 125 would have voted against. Clearly, Canadian federalism is limiting Quebecers' freedom to act in their own best interest and preventing them from choosing how they want to spend their own tax dollars.

As a Bloc Québécois MP, does my colleague know of a medium or long term solution for us, for Quebecers, that would make us masters of our own destiny and enable us to set our own priorities for spending our own tax dollars?

Mr. Michel Guimond: Mr. Speaker, my colleague from Jeanne-Le Ber has hit the nail right on the head. Once we Quebecers become masters of our own destiny, once we stop sending \$57 billion in taxes to Ottawa, and once we decide to keep all of our tax dollars in Quebec, thereby preventing the federal government from deciding what our priorities should be, we will have a government that cares about Quebecers' needs and priorities, regardless of which party leads Quebec's first sovereign government.

Every time the federal government invests money in Quebec, the ministers strut about smugly, make wonderful announcements and sign fat cheques, but we must not forget that the money comes from taxpayers. The people in the gallery who are listening to us think that they are paying too much for the services they receive. That money does not come from the ministers. That is money we send to Ottawa. That is our money.

As Maurice Duplessis said: "Give us back what is ours."

• (1115)

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, I am delighted to rise here today to speak to the budget. I will likely be less eloquent and impassioned than my hon. colleague from Montmorency—Charlevoix—Haute-Côte-Nord, but my comments are equally relevant. I am pleased to join the budget debate and add a few remarks concerning the environment.

I would remind the House that this government had a surplus of more than \$10 billion in its coffers for the current year. Among the

demands of the Bloc Québécois, as my colleagues have already pointed out, we were calling for significant assistance for the manufacturing and forestry industries. We also wanted our seniors to be reimbursed the money that the government literally stole from them by refusing to make the guaranteed income supplement fully retroactive. Furthermore, we think that it is essential that there be assistance for the environment. With this budget, we called on the government to make a 180-degree turn and invest \$1 billion in the environment. After carefully reading this budget, however, we are left dissatisfied.

This budget leaves something to be desired. First of all, we would have expected this government to invest heavily in renewable energy. We would have liked to see the \$1 billion we were calling for help make household appliances more energy efficient, for instance, thereby contributing to the fight against climate change, which must be approached from two angles. It must first be addressed by reducing greenhouse gas emissions at the source, but also by ensuring that we have energy efficiency programs in order to curb our oil dependency. These programs were therefore very important to us. Unfortunately, the government did not meet our expectations.

In terms of the environment, the government and the Minister of Finance first announced \$66 million over two years to develop its regulatory framework. I am referring to the so-called plan to fight climate change that was announced by the Minister of the Environment. From our perspective, there is no way we can support a budget that allocates financial resources to a framework that we oppose. I would remind the House that this regulatory framework aimed at reducing greenhouse gas emissions uses 2006 as the reference year in establishing the reduction targets for industrial emitters. We believe, however, that the only valid reference is that used by the Kyoto protocol, namely, 1990.

Our businesses have made efforts in the past. They have reduced their greenhouse gas emissions by more than 7% or 8%. This regulatory framework would not take into consideration improvements that have already been made to industrial processes to make the business more energy efficient and to contribute to the fight against greenhouse gases, nor the fact that these companies are more productive. The link between the environment and the economy will always be there. However, the government chose to ignore it by designating 2006 as the reference year.

Second, by adopting intensity targets for greenhouse gas emissions, we are telling companies that emission reductions will be considered with respect to each unit of production. That means that targets and greenhouse gas reductions will be imposed, but only per production unit. In view of the fact that oil sands production is expected to increase fourfold or fivefold by 2015, Canada will not achieve absolute reductions but instead will record considerable increases.

The Budget

We cannot support a budget that allocates \$66 million to a regulatory framework that is unfair and that will not contribute to Canada's effort and responsibility in the international fight against climate change.

• (1120)

In addition, we also cannot approve this budget because, in essence, it grants \$300 million to Canada's nuclear industry. Imagine that. In recent weeks we have seen the difficulties—and witnessed the bickering—associated with the departure of the president of the Canadian Nuclear Safety Commission. Now the government is announcing that it is allocating \$300 million to the nuclear industry, without any prior public debate on the issue. It is as though the government, in its budget, is telling us that it is beginning to change Canada's position on energy without even discussing it with Canadians.

We have to shed some light on the growth of this industry, which is continuing to create negative externalities. I will cite one: nuclear waste management, an issue we have not yet come to grips with. At present, the pools are overflowing with waste in the provinces, and we have not found any sustainable solution to that waste. And at the same time, our federal government is setting aside and increasing funding for an industry that creates externalities. We understand, of course, why the government is making this choice, because we know that there are projects in western Canada to expand oil sands production using nuclear energy.

We therefore cannot support a budget that gives the nuclear industry \$300 million, when there has been no public debate and no debate in the House on this important issue.

There is another factor: \$250 million has been allocated to carbon storage, for what is called “capture” and “sequestration” of carbon. That means that we are increasing and expanding our assistance to a polluting industry, an industry that makes enormous profits, by giving it \$250 million for a pilot project in Saskatchewan to capture GHGs. Through absolute, mandatory targets and the establishment of a carbon exchange that would allow businesses to trade emissions credits freely, the oil industry and the oil sands industry in Canada could contribute to funding that project in Saskatchewan.

At the end of December 2008 the government also decided to cancel the ecoAUTO rebate program, that is designed to encourage the purchase of low energy consumption vehicles. It is a program that the public was expecting. Several months were put into implementing the program, and the government is now telling us that it is eliminating it.

To conclude, what this budget promotes is the polluter-paid principle rather than the polluter-pay principle. These are large figures. I mentioned the \$300 million given to the nuclear industry and the \$250 million given to the big industrial emitters for carbon capture. What this budget does is benefit oil companies and polluters, at the expense of a sustainable economy that has to be built on value added, which the renewable energy industry is.

We would have expected incentives for wind and solar energy production, but no, there is nothing. The choice made gives preference to friends in western Canada. There is nothing for Quebec. And there is \$250 million in assistance going directly to the

auto industry. In terms of the Canadian economy, the west is benefiting through assistance to the oil industry, central Ontario is getting incentives through aid to the auto industry, but there is nothing for Quebec.

• (1125)

[*English*]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have a comment and a question. The member for Western Arctic and members of the Bloc seem to be criticizing carbon capture. Climate change is devastating us the north. We certainly want to get that carbon out of the atmosphere. We want to make sure that when oil companies are forced by regulations to reduce carbon the technology is available.

However, I would like the hon. member to comment on what environmentalists have told me, which is that the government has cut over 100 programs that were in existence under the previous government. He mentioned some of them, including the renewable energy program and the EnerGuide. The government has either cut them or reintroduced them with less money and tougher restrictions. A good example of that is the EnerGuide program. There is less money and it is very hard to access. A lot of people have told us it is not even worth it any more, so I imagine the statistics are terrible.

Could the member comment on the reduction in programs that help the environment by reducing greenhouse gases, et cetera, and on the government renaming them and making them harder to access?

[*Translation*]

Mr. Bernard Bigras: Mr. Speaker, I would like to make two points.

First of all, we are not opposed to the notion of the oil industry using new technologies for carbon capture and sequestration. However, should the public be the ones to pay for the testing of such technologies, through taxes and income tax, while the petroleum industry earns exorbitant profits? Rather, it should be up to the industry to invest in those technologies in order to ensure real greenhouse gas reductions.

Second, to answer the hon. member's second question, we definitely believe in energy efficiency programs. That is why we asked that \$1 billion from this year's \$10.3 billion surplus be allocated to the environment, specifically to the various energy efficiency programs that are producing results, contrary to the Conservatives' claims.

We definitely believe in energy efficiency and, furthermore, we believe in reducing greenhouse gas emissions at the source.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I listened with much interest to the member's speech. However, it is important to note that for the past two years, the Bloc Québécois has supported all the Conservative government's budgets. It supported the 2006 and 2007 budgets. Even though the measures in these budgets were in no way taken in the interests of Quebecers, the Bloc always supported the Conservative government.

The Budget

Now, we know that the Liberals are supporting the Conservatives and that the Bloc is finally siding with the NDP. This is good, because it shows that the Bloc is acting in the interests of Quebeckers.

Given that the Bloc now supports the NDP position and is opposed to the Conservative government, I would like to ask the member for Rosemont—La Petite-Patrie a question. Is the Bloc ready now to reconsider supporting the Conservative government on the softwood lumber issue?

The softwood lumber agreement cost Quebeckers thousands of jobs, and Quebec was harder hit than any other part of the country. What is more, in a few weeks, softwood lumber plants in Quebec will be forced to pay additional amounts because the government signed this agreement. The decision that is made will cost companies in Quebec.

Is the Bloc now ready to join with the NDP on the softwood lumber issue, as it has done on the budget?

• (1130)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Rosemont—La Petite-Patrie has 50 seconds to reply.

Mr. Bernard Bigras: Mr. Speaker, the NDP is always so self-important. We will not be like the NDP. When the unions—he knows them well—and the forestry industry supported this agreement, we stood up in the House to defend the interests of workers and the industry.

The Bloc has always acted responsibly. Members may recall that in June 2006, that agreement was adopted unanimously. I do not know where the NDP members were at the time. Where was the member in June 2006?

We are acting responsibly. When we take a stand on an issue, we show up in the House and we do not sleep—

The Acting Speaker (Mr. Royal Galipeau): I am sorry to interrupt the hon. member for Rosemont—La Petite-Patrie.

Resuming debate. The hon. Minister of Human Resources and Social Development.

[*English*]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, it is my pleasure to rise today and address budget 2008. I will be sharing my time with the member for Provencher, the President of the Treasury Board, and I look forward to hearing his speech.

I think it is important that I start out today by congratulating Premier Stelmach on his crushing victory last night in Alberta. As an Albertan, it is important for me to acknowledge that. It is particularly exciting to see him not only go way beyond expectations but reduce the official opposition to a fraction of what it was. I believe the official opposition was and is the Liberal Party. I am sure my friends across the way will not be very excited about that, but those are the facts.

It is important as we talk about budget 2008 that we place it in context. Today in Canada these are good times. The economy in Canada is strong. Jobs are being created. Taxes are going down. The

budget is balanced. Our national mortgage, the debt, is being paid down. All of these are very good things. People have reason to be confident.

[*Translation*]

Canadians have reason to feel confident about the future. Our financial situation is more stable than that of any other G-7 country, and the government is showing leadership at home and abroad thanks to its long term economic plan, Advantage Canada.

[*English*]

Obviously, in this country today Canadians generally are doing extraordinarily well. That does not mean there are no big challenges in some sectors, but given some of the struggles we see in other parts of the world and certainly south of the border in the United States these days, these are good times.

However, we cannot take that for granted. That is why the Minister of Finance moved last fall to lower taxes to get ahead of some of the problems he saw coming in the United States. That is why we are paying down debt and being prudent in our spending. But when we do spend, we spend with an eye to making sure that this country can compete today and go forward. I want to talk a bit about some of those investments.

I am the Minister of Human Resources and Social Development and I am very proud of some of the changes that we made in budget 2008. I want to talk about some of them.

One of the most important things that any country can do is make sure it has an educated workforce. We have that in Canada today substantially, but we must do more. We face great competition around the world, so therefore it is incumbent upon us to do everything we can to make sure our workforce is ready to compete.

That is why in the last budget we invested heavily in training. Today, we invest more in training than any government in history. It is also why we increased funding for post-secondary education, colleges and universities, by 40% in a single year. That is \$800 million. We are not resting on our laurels either. That is why in this budget we said we must do more than we do today to encourage students to enter post-secondary education.

Seventy per cent of all the new jobs that are being created require some post-secondary education. Today, we are not getting enough people into post-secondary education. We believe that one of the reasons why is that some of the tools we have in place today just are not encouraging people to take the step of going into post-secondary education, particularly knowing how expensive colleges and universities can be. We have made some important changes to encourage people to take those steps.

We are dissolving the Canada millennium scholarship foundation and replacing it with up front and predictable grants. These are called Canada student grants. They will encourage low and middle income Canadians to go into post-secondary education because if they are from a particular income group, apply and are admitted into post-secondary education, they will be eligible without respect for where they live in this country or what program they are going into, whether it is college or university.

The Budget

Under the old program, the access grants, they did not get that. They did not get it under the CMSF. They will get it up front under these new grants. They will apply every year students are in undergraduate studies, whether it be in college or university, ensuring that people will have a lot of funding going their way to help deal with the problem of expensive tuition costs.

There will be \$250 a month for low income people for every month that they are in university or college. There will be \$100 a month for middle income people. We noted in the Speech from the Throne that today many middle income families struggle with the high cost of post-secondary education. It is our commitment to make sure that we start to deal with that very difficult problem for many Canadian families and we are proud of some of the changes that we are making.

By the way, this will touch a lot of people. Under the previous regime, the way it was established, the various types of support in the form of bursaries and grants touched only 140,000 people a year. The new initiative will touch 245,000 people every year and we are very proud of that. We believe that will encourage many low and middle income families who otherwise felt they could not afford it to take the step and go into post-secondary education.

We have made other important changes as well. One of the criticisms we have received is that student loan financing was very complicated. We did a survey of people who were involved in this sector and we talked to students, educators and families. They told us the system was far too complicated.

• (1135)

We have taken that to heart, so in addition to taking the previous six grants and boiling them down to one, the Canada student grant, and getting them to students who go to school, no matter whether college or university, we have also made changes that will allow students to go on and manage their student loan via one account. This is what we are working toward with the provinces. The provinces are very excited about it.

Up until now it has been extraordinarily complicated, Byzantine, when people attempt to get a student loan. We are going to simplify it and make it much simpler for students, so that they will be able to go online ultimately and manage their entire account, both provincial and federal, through one window. We think that will be a real step forward.

One of the other criticisms we received is that there are about 20% of students who, when they apply for a student loan, have trouble paying back the loan. Irrespective of the reason, this has been a real burden for thousands of students over the years. The changes we have made will make it possible for students to finally get out from underneath those loans and to make it possible for them to repay them in a way that is much more realistic.

For instance, we are now going to make sure that we attach the amount of student loan they pay back to their income. These student loan repayments will be sensitive to the income and will never exceed a certain percentage. This will be extraordinarily helpful to people like medical students who have complained for a long time rightfully that we are penalizing them for going into an expensive program and ultimately then we turn around and complain about the

fact that we do not have enough people becoming doctors. We are fixing that and I am proud of that.

I want to speak for a moment about the guaranteed income supplement. We have made changes so that earned income will be exempted from the current \$500 to \$3,500, meaning that seniors can go out and earn income and will not have their benefits clawed back.

I want to acknowledge the work that the member for Wild Rose has done on this issue. He told me the story of someone from his riding who really could not go to work, help out in the labour force, and look after herself without losing those benefits. He pushed for this for a long time. I am very proud that we were able to introduce this in the budget.

I also want to make one final point to the important changes we have made to employment insurance financing. We have created an arm's length corporation that will make it impossible for future governments to rip-off the EI fund, like the Liberals did when they were in power, when they ripped off over \$50 billion from workers. That will never happen again.

We have preserved the ability of Parliament and the government to look after benefits and that will not change, but never again will the Liberals be able to rip-off employment insurance like they have in the past. We are proud of those changes.

• (1140)

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I listened to what the minister said, and one of the reasons we will be voting against this budget is that it is unfair to seniors. I would like the minister to explain something to me. I will give him two examples.

I met with three seniors' groups in my riding in the past five weeks, and they all told me the same thing, "The government ripped us off. It made an election promise. In 2006, the government told us that it would give back our guaranteed income supplement for the past four years. We fell for it. Now we have nothing left."

Some seniors are owed \$4,000, \$6,000, \$8,000 or \$10,000. The Conservatives told them—and this is what these people have asked me to say—that they would be giving them the missing guaranteed income supplement. Why has the government failed to keep its promise to give back the guaranteed income supplement in this budget, which is about to be passed because of the Liberals' absence?

[*English*]

Hon. Monte Solberg: Mr. Speaker, I want to say to my friend that he is completely and absolutely wrong. He is misrepresenting the facts. In our platform, we said that we would preserve guaranteed income supplements, old age security and the Canada pension plan. That is exactly what we said.

However, the real issue is that not only have we improved benefits for people on guaranteed income supplements, we have introduced these important changes and brought forward big increases to guaranteed income supplements, 7% over the last two years.

The Budget

We have improved the take-home pay for seniors in many different ways and improved the new horizons program. We have provided seniors with a seat at the cabinet table, something that no government in recent memory has done.

If the member claims to stand up for seniors then why has he and his party repeatedly voted against every measure that we have brought in to help seniors? What hypocrisy.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, the front cover of this Conservative budget document supported by the Liberals shows a young child waving a flag and asking for help, saying that we are stranded, that the children of Canada are stranded in Canada on this island with no help from the Conservatives.

There is nothing in this budget on child care. There is no new funding to increase the child tax benefit. There is not a penny of new dollars for affordable housing. If this child on the front cover of this budget document, which is called “Investing for Tomorrow”, is waiting for affordable housing, let us say, in Toronto, who may be from one of the 65,000 households waiting for affordable housing, there is not one new penny in this budget for this child.

Let me tell members that in Toronto as recently as last weekend a native person froze to death on the corner of Bay and Bloor. There is a huge waiting list for affordable housing. It is a desperate situation, yet this budget has completely left these people behind. I want that minister to explain why he would be putting forth a heartless budget like the one we have in front of us.

• (1145)

Hon. Monte Solberg: Mr. Speaker, for the member the Canadian flag may represent a cry for help, but to this government it represents hope. I want to argue that in this budget there is a lot of hope for a lot of people.

Not only are we continuing to be prudent and make sure that we lower taxes so we continue to be a prosperous nation, so we are insulated from some of the troubles in the world, and so we pay down debt and do responsible things like that, we are investing strategically. Today this government invests more in affordable housing than any government in history. We invest more in training than any government in history. By the way, I would point out that when we did increase spending for affordable housing, that member and her party voted against it.

However, one of the most important things that we put in this budget is \$110 million for the Mental Health Commission, which the head of the Mental Health Commission points out will help Canada “lead the world” when it comes to addressing issues like addictions, homelessness and poverty. We are proud of that initiative.

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, I am proud to support the budget delivered by my colleague, the Minister of Finance, on February 26. I believe this budget demonstrates responsible leadership from a government that continues to be vigilant and smart about how it spends the taxpayers' money.

Across the government, my ministerial colleagues are working hard to deliver programs to meet the needs of Canadians effectively and efficiently. My job as President of the Treasury Board is to strive

for excellence across the government in the way programs, operations, and spending are managed.

As part of this effort, we announced our new expenditure management system in budget 2007. In budget 2008 we announced some of these results. In this initial year of strategic reviews, 17 organizations of government participated and assessed their program spending to ensure that it is aligned with the priorities of Canadians and delivers value for money.

We examined departmental spending amounting to \$13.6 billion, or 15% of total direct program spending, and that was essentially in the half-year from June to December of 2007. As a result, these departments have identified savings totalling some \$386 million per year.

This means that we are reallocating from within to fund new initiatives, both inside departments and for the broader priorities of the budget. This is how the new system is ensuring that all federal programs are effective and efficient, provide value for money and are aligned with the priorities of Canadians and federal responsibilities.

With this new system, we are transforming how we manage tax dollars.

Over the last number of years, there has been a huge increase in the government's discretionary program spending, but no appropriate way to ensure that what was being spent was giving taxpayers full value for their money. This spending grew from \$63 billion in 2000-2001 to \$83 billion in 2004-2005. That is a 33% increase overall, equal to an ongoing increase of \$2,200 a year for a family of four.

A renewal of the existing system was needed to improve decision making, promote excellence in the management of tax dollars and help control the growth of government spending. That is why we introduced this new expenditure management system. This system is built on three pillars.

First is managing for results: we evaluate our programs and demonstrate results for Canadians.

Second is upfront discipline: all new proposals for government spending require clear measures of success and better information about how the new proposals fit among the existing programs.

Third is ongoing assessment: conducting strategic reviews of all direct spending to ensure that the programs funded are efficient, effective and aligned with the priorities of Canadians and with federal responsibilities.

The strategic reviews cover all direct program spending and the operating costs of major statutory programs. With these reviews, all government spending will go through a systematic and rigorous examination on a four year cycle. This is not an ad hoc exercise but a new way of doing business, so that over a four year cycle all existing spending in our organizations is subject to an in-depth assessment.

The Budget

Now, for the first time, and I cannot stress that often enough, the Government of Canada is in a position to decide on new proposals by taking into account the broader picture of other existing spending in the same area. That was the difficulty about bringing in new programs earlier: one did not know what money was being spent on related programs or indeed what related programs were accomplishing. This is a major advance over what was done before.

● (1150)

Five years ago, for example, we could not say how many federal programs we had for aboriginal people. In fact, two years ago, it took us seven months to actually count up the number of programs serving aboriginal people. For members' information, we have 360 programs in that respect.

Now, with this new approach, when a new program proposal goes to cabinet for consideration, ministers will have access to better results and performance information for existing programs and will know the full extent of the associated costs of those programs.

Cabinet is then able to determine how the newly proposed program and associated funding will fit within the existing program and funding framework. It can then decide if the new program is required, based on how it will deliver on the priorities of Canadians.

Included with the new program proposal are measures of success. These measures enable the program to be evaluated to determine if it is producing results and in fact providing good value to Canadians. This new system ensures that we can help Canadians meet their evolving needs effectively and efficiently.

It has the effect of ensuring that every tax dollar Canadians send to Ottawa is spent on high-priority and high-performing programs. With these improvements, Canadians now have better information to hold the government to account for the management of these tax dollars.

This is simply good management. It is really no different from what Canadian families do when they make sure that as a family they are spending money efficiently, meeting their own shifting priorities within their household, keeping their finances on track and, of course, living within their means. It is also providing more tangible evidence that business is being done differently in Ottawa.

By reducing spending on ineffective or inefficient programs and stopping programs that do not work, our government is ensuring that taxpayers' money is being spent where it performs best. In this way, we are aligning resources with priorities and helping to control the overall growth of spending.

This government will not waste taxpayers' hard-earned money. We want to spend it effectively and efficiently on programs that provide value and results to Canadians. Unlike the New Democrats and the Liberals, I actually believe that giving Canadians back their money, which they have paid to government, is not a waste of money, and that in fact allowing ordinary hard-working Canadians to keep more money in their pockets is one of the best ways that we can spend money.

The government has made tremendous progress in moving to a more disciplined approach to managing tax dollars to meet the priorities of Canadians so that we can meet essential social needs as

well as keep more money in Canadians' pockets. Ongoing strategic reviews are a part of this approach.

That is what responsible leadership is all about. It is about making better spending decisions. It is about making tax dollars deliver results. It is about keeping the average rate of growth in government spending below the rate of growth in the economy.

This, I would submit, is responsible leadership. It is good management. It is important. It is good government. This is now the norm for how things get done in Ottawa.

● (1155)

Mr. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I appreciated the remarks of my hon. colleague. He mentioned giving Canadians taxpayers back their money. Could he comment on the importance of the combination of paying down the national debt and turning those savings into giving Canadians their money back through taxes?

Hon. Vic Toews: Mr. Speaker, I cannot emphasize how important it is to pay down the debt and give Canadians their money back. Many Canadians do not realize what it means in terms of money that was saved on an ongoing basis when we paid down that first \$13 billion or so of debt. I cannot remember the exact amount of money we paid down on the debt, but we saved approximately \$1 billion in interest costs. That was over the course of one year, and it will go on for every year in perpetuity.

When we pay down \$30 billion, \$40 billion, \$50 billion, look at the interest we are saving. That money is permanently in the hands of the people and not in the hands of those who lend money to government. The people can now determine how we spend our money.

The Liberals and the New Democrats want to drive us into spending more money and ignoring the debt. I remember the conversation that went on many years ago when some of the trade unions asked Bob Rae to declare Ontario bankrupt. They did not understand the long term implications that would have on our children and grandchildren.

Paying down debt and living responsibly within our means ensures that our children will have a chance to voice their opinions and make them count, not simply the voice of the banks or the large lenders, but the ordinary person. When we pay down debt, we empower ordinary people.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, I am glad the hon. minister mentioned the name Bob Rae in his speech because in a couple of weeks he will have to refer to that person as the member for Toronto Centre.

I point out that it was the current Minister of Finance who left Ontario nearly broke and bankrupt. However, I want to centre on the minister's speech and the lack of mention of two huge gaps.

He represents an area with a significant francophone population, but there is no mention of new money for the Official Languages Act roll out.

The Budget

The minister may consider Manitoba to be the centre of Canada, but I do not. What possesses him to be in a government that mentions nothing about regional economic development? In my region, the Atlantic Canada Opportunities Agency, headquartered in Moncton, New Brunswick, received not a mention in a very voluminous budget document.

Why are these two things missing from the budget? If his response is that the Liberals are afraid to bring the government down, he should be sure that we will pick our time. The time is nigh. What will the minister say to the Canadian public about those two important missing elements from the budget of which he is so proud?

Hon. Vic Toews: Mr. Speaker, the member forgets it was a prior Conservative government, before all the Liberal governments, that enhanced educational funding for francophone schools in Manitoba. Liberals then tried to take credit, but it was a Conservative platform to ensure that francophones, as a minority language group in Manitoba and other areas across Canada, were well represented.

I am proud of the Prime Minister and his strength in standing up for minority language rights across the country. This is not an issue that is simply in one area or the other. The Liberals are always looking at the polls and looking for the votes. Our Prime Minister stands on principle and one of his principles is to defend minority language rights.

As an MP who represents perhaps the largest francophone population in western Canada, second perhaps only to Saint Boniface, and that may well be changing, I am very proud to represent francophone Manitobans.

• (1200)

Mr. John Maloney (Welland, Lib.): Mr. Speaker, I rise to speak to the Conservative 2008 budget. I will be sharing my time with the member for Sydney—Victoria.

The sad reality is the budget will likely be one of the least memorable in recent federal history. Its most glitzy tax cutting measure was the \$5,000 a year savings account with interest accruing tax free. Over time, it may assist some wealthy seniors in meeting their ongoing savings needs, particularly after age 71 when they are required to begin drawing down their RRSPs. However, it is still a pale response to the income trust debacle.

The savings account will be of no assistance to low and middle income earners, including many young families and seniors who cannot afford the luxury of savings. The amount of interest earned at today's rates will be pennies in any event. On the other hand, with a slowing economy, additional spending by Canadians would help to stimulate the economy. This is a short-sighted program for our current economic conditions.

Speaking in general terms, the budget is a hodgepodge of very low dollar spending initiatives, with no apparent theme or direction: 58 spending initiatives in total with 55 of these being less than the cost of a federal election.

In 2006 the Conservatives inherited the largest surplus and the best economy in Canadian history. Now after two years and a few budgets and economic updates, they have spent it all and moved the country, once again, to the brink of deficit spending. The Conservatives must like living on the edge, as the country returns

to Mulroney economics, something that the Liberals will never do when we return to government.

The story in the budget, however, is what is not mentioned. Let us talk about the crisis in manufacturing.

Canada's economy is hurting badly. Ontario's is hurting worse and Niagara's economy is worse yet. A St. Catharines-Thorold Chamber of Commerce report on manufacturing in Niagara notes that currently manufacturing accounts for 14% of Niagara's economy, down from 29% over the past two decades. Niagara's overall employment growth has been less than 1% since 2000. This average places Niagara near the bottom of the province in statistics related to full time employment rates and employment income levels in the province.

What does the Minister of Finance do? He tells all the world that Ontario is the last place in which business would invest. In public comments made earlier this week, the Minister of Finance claimed Ontario's manufacturing industry was suffering because the province faced the highest corporate tax rates in Canada. However, the minister's claim is nothing but a distortion of reality. Only four provinces have lower corporate tax rates than Ontario for manufacturers and processors. In terms of attracting new investment, the nearest competing U.S. states, including Michigan and New York, face corporate tax rates 12% higher than Ontario's and Ontario continues to lower the tax rates.

The budget's paltry support for the manufacturing sector has prompted the Canadian Manufacturers & Exporters, in frustration, to explain that it has received only recycled ideas and pocket change at a critical time when it needs tangible solutions. Out of a \$6 billion budget, manufacturing received \$150 million.

In my region health care remains one of the major areas of concern. Physicians lobbying on Parliament Hill today will tell us that there are five million Canadians without a family doctor, that England has twice as many physicians per capita than we do, that we have over 4,000 medical students training outside our country because there are insufficient spaces in our medical schools and most of these will not come home to work, that we have foreign trained doctors within Canada who need assistance meeting our standards and that we have an aging doctor population leaning toward retirement. It is urgent that we address this. Our emergency room crisis, patient wait times and physician health care work shortages are all crying out for help. Sadly, there is none. Sadly, no one is listening.

The Budget

There is nothing in the budget to address poverty and homelessness. A poverty report prepared by the region of Niagara stated that approximately one-third of visits to food banks in the Niagara region were made by children. In 2005 just over 4,000 households utilized 13 food banks across the Niagara region, and the situation continues to decline.

The Regional Municipality of Niagara owns or manages over 5,500 housing units that are subsidized, of which 2,200 are occupied by families whose average family income is \$15,680. The poverty line for a family of four in the Niagara region is \$27,500. The need for housing assistance is very high within Niagara. There were 4,000 households on the waiting list in June of 2006. The number of rental units has simply not kept pace with demand.

The huge negative impact of poverty and homelessness in my riding has been left to flounder and fester. The budget's silence was deafening. Nothing for the less fortunate in our society. Perhaps government members should visit a hostel, soup kitchen or food bank and look directly into the eyes and faces of those who cannot fend for themselves, for whatever reason. In the region of Niagara there is an urgent demand for homeless spaces. These figures are compounded across the country and the totals are staggering.

• (1205)

Surely the measure of our worth is diminished when we fail to take initiatives to help. Community-minded volunteer organizations, donors and churches are struggling under a terrible burden, but the government walks by, completely oblivious to the pain and suffering.

What have the Conservatives accomplished during their time? They have accomplished very little. They continue to spend while eroding the tax base. With economists across the country warning that cuts to the GST would be the worst tax cuts to consider, the Conservatives blundered ahead to reduce the GST by two percentage points, all for the sake of what they felt was politically astute for their party, not what was economically good for Canadians and the country.

As the party that introduced the GST, perhaps the Conservatives felt guilty. They have a lot to feel guilty about, but such poor tax cuts are not the way to redemption.

The Conservative child care program has not produced any new child care spaces that young couples and single parents so desperately need. The reality is it was simply a baby bonus program with no vision, no direction and no spaces. Young mothers and fathers were most appreciative of the money until they filed their income tax returns last spring and began to realize the Conservative child care program was all smoke and mirrors. This wonderful \$100 a month per child is taxable. They are not pleased that they have been duped once again.

The Prime Minister has become the largest spending prime minister in Canadian history, and now the cupboard is bare. What did Canadians really get for it? Are they really better off? Canadians will send a resounding no in the next election.

As our biggest trading partner, the United States, continues to spiral into recession, our economy, so connected with them, continues to be pulled down. There is also the economic uncertainty

of a high Canadian dollar and a retiring skilled workforce. Our country is heading into the perfect storm at a time when no one in the Conservative government is at the helm. Any shock to revenue or any unanticipated spending initiative will put Canada back into deficit.

What has the government done to prepare the country for a possible economic downturn? It has done simply nothing. Are we surprised? We should not be. The finance minister drove the province of Ontario into deficit, all the while claiming a balanced budget as his Conservative government headed into a provincial election. The smile of the victorious McGuinty government soon turned sour when independent auditors discovered a huge deficit. So much for openness, transparency and accountability.

Canadians are very concerned that Conservatives have a projected surplus of \$2.3 billion for this year and \$1.3 billion for next year, which is well below the \$3 billion contingency fund that Liberals consider the bare minimum to cushion against unanticipated economic shocks. It has been said that our country is one SARS crisis away from a deficit, and this is if one believes the Conservative projections are accurate. The finance minister's prior track record of misrepresentation makes me and the entire country uncomfortable.

Moreover, the Conservative government lost an opportunity to address Canada's infrastructure deficit by failing to act on the Liberals' proposal to use \$7 billion from this year's surplus to fund infrastructure programs across the country. As municipalities beg for financial assistance to address the compelling infrastructure deficit, as bridges collapse and aging water treatment plants malfunction, the government plods blindly, seemingly oblivious, to the cries from our communities. Let us not forget the positive impact of well-paying construction jobs that infrastructure projects would have provided.

Actually, the Liberal opposition should be flattered that many of the budget initiatives were driven by them.

It was the Liberals who first created the gas tax transfer to municipalities in 2005 and pledged to make it permanent over a year ago.

It was the Liberals who advocated direct support to Canada's ailing auto industry. The Conservatives' \$250 million over five years to provide research and development is simply a pittance.

It was the Liberals who committed to desperately needed improvements in public transit. Is a rail line from Peterborough to Toronto through vast tracts of agricultural lands and small hamlets our country's biggest priority? Is there enough potential passenger usage to make it financially viable?

It was the Liberals who committed to funding to have more police across our country.

It was the Liberals who committed to improving cash flow, supporting livestock producers and providing direct payment for hog farmers.

The Budget

It was the Liberals who advocated reversing the Conservative government's previous cuts to university councils and research programs. It was the Liberals who urged the modernization of the Canada Student Loans Act.

We are pleased the Conservatives are adopting prudent Liberal policies, but the insufficient funding, because of an ill-advised national debt payment, will detract from their effectiveness.

I suggest the budget is a non-event, paying lip service to worthy causes such as the environment, students and crime, but by no means is it a green budget, an education budget or a law and order budget. There is no economic stimulus or poverty initiatives to help Welland riding. There is nothing of great substance. It is simply underwhelming. After two years, the Harper government has exhausted its legislative agenda and has lost its drive.

● (1210)

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Welland knows that we do not name other members of the House.

Questions and comments, the hon. member for Burnaby—New Westminster.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, I always like to hear the member for Welland. He made a very passionate speech about how lousy the budget is for working families.

He had a lot of the same criticisms that the NDP has had about the budget. It essentially gives tons of money to the corporate sector. It does not provide the kinds of supports for working families that are needed. It does not provide a penny for affordable housing, the same way the former Liberal government did. I cannot but agree with his criticisms of the Conservative budget.

Why oh why is the entire Liberal caucus supporting a budget that they have the nerve to stand in the House and condemn? It makes absolutely no sense. How can the leader of the Liberal Party pretend to have the least bit of credibility when members of his caucus are standing in the House and criticizing a budget that they are supporting? It makes absolutely no sense.

It is beyond belief that they think Canadians will be fooled by their speeches when they are supporting the budget. The least they could do is, like the Conservatives, say that corporate tax cuts are the be all and end all and that is all that the federal government should be doing; forget about housing; forget about child care; forget about any support for our manufacturing sector, which has been devastated.

All that is available now basically are burger-flipping jobs and the Conservatives tend to say that we have more jobs. They know that those jobs are part time and temporary and are not family sustaining.

Why do the Liberals not simply say either they are opposed to the budget and they will stand in the House and vote against it, or if they are voting for it, which is what their leader has said, they should just say that all that counts for them are corporate tax cuts. Why do they not just come clean with the Canadian public and say that they do not see any difference between the Liberal Party and the Conservative Party and that is why they are supporting the budget?

Mr. John Maloney: Mr. Speaker, the member asked a very interesting question and I think the answer is obvious.

This budget is all smoke and mirrors. It is fluff. As I said, it is a non-event. To really come out and support it is of no consequence. There are more demanding issues in this country than that we go to the polls. We will go to the polls on an issue that is of importance to this country, not a do nothing budget, simply not.

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, is it not humorous that the NDP would pose questions about who supported what when they brought us that B movie over there called the Conservative government.

I would like to ask the very hard-working member from southwestern Ontario, who has very deep concern about the Niagara region and his riding of Welland, what has the government done for his region?

There are issues with respect to the border crossings. There are issues with respect to the economy in southwestern Ontario to which regional ministers are not even responding. I know the member wanted to get to this in his speech, but did not have an opportunity to tell the people of his region just how poorly the government is representing his region.

Would he please answer that question for the House and for the public?

Mr. John Maloney: Mr. Speaker, that was a very insightful question.

As I pointed out, the government has done nothing to address poverty and homelessness in our area.

The manufacturing sector in our region is on the decline and there is nothing in the budget to assist it.

The auto sector is very important for my riding, with manufacturing plants and auto parts. There is nothing to help that sector, except \$50 million each year over five years. That is a pittance. It is simply not enough to help this major industry that is really driving the Ontario economy, which drives the economy of our country.

My friend mentioned the border. Under the Liberals we had an extensive border infrastructure program. We widened one of the crossings at Lewiston from four lanes to five lanes. We were on the cusp of another bridge being twinned. In advance of that we improved the plaza infrastructure on both the American side and the Canadian side so that the conduit to the United States would not be strangled. We moved forward on these insightful programs.

I found it most interesting too that the NDP criticized us for failing to address some of the programs like child care. It was that party that voted the Liberal government down in a non-confidence motion. We would have had such programs as child care had the NDP not voted us out of office.

● (1215)

Hon. Mark Eyking (Sydney—Victoria, Lib.): Mr. Speaker, it is a pleasure to have this opportunity to stand and speak about this year's budget.

The Budget

There could have been a lot more big initiatives in this budget, but the government has left the cupboard bare. The federal government has no money and no power to help fund health, education and infrastructure. I fear that the government has done more damage to the federation with its budgets than it ever could have done by reopening the Constitution.

My riding has serious challenges that have to be addressed. The government has put \$10 billion on the debt, which is \$10 billion that would not have been there, were it not for the 10 good years of solid Liberal fiscal management.

It is a good thing to pay down the debt, but it seems to be a waste when we look at the infrastructure deficit in this country. Canada has the lowest debt to GDP ratio in the G-8. Does it make sense to pay down so much of the debt given the challenges that we face on infrastructure? In my riding alone, the government could spend a billion dollars on infrastructure and probably the job still would not be done.

For example, the CBRM, the Cape Breton Regional Municipality is the largest municipality in my riding. The CBRM is in debt to the tune of \$90 million. How is the CBRM going to pay for its infrastructure? At the same time, there are new national guidelines which will require secondary sewage treatment in the next decade. Without federal and provincial help, the municipality will never be able to afford the infrastructure. The council and the mayor are not spending money on frivolous projects. The money is being spent on basic sewage, water and roads, but they are only scratching the surface.

The Canadian Council of Ministers of the Environment is planning a new national standard for municipal waste water treatment. Once it is implemented, it will require secondary level treatment of all sewage being discharged into rivers, lakes and oceans. This will happen as early as the next decade.

Recently I met with a group of citizens from the New Waterford and Lingan area who were very concerned and upset because of the inadequacy of their sewage treatment plant. Sewage is running into the drains. They want something done. Those people pay their taxes. Also at the meeting was the CBRM's engineer who really wants the project completed, especially with the new guidelines that are coming up. However, there is not enough money coming from the federal government to help with this much needed infrastructure. Everyone has to wait. What will happen when the new guidelines are implemented? The CBRM will be caught in a big bind.

The municipality will not be able to plan for the future. Certain projects should be done every year in order to meet the guidelines. The guidelines are important in this day and age; we have a rich country and Canadians should have safe sewage and drinking water standards.

The CBRM has to comply with the new standards. It could cost \$400 million for the sewage and water projects that must be completed. How will the municipality come up with the money to pay for these projects?

Another municipality in my riding, Victoria County, faces challenges. Victoria County is large and encompasses the Cape Breton Highlands National Park. There is also Pleasant Bay. It is the

whole region on the northern part of Cape Breton, which has a small population. It will be very difficult to service some of the needs of this region.

The north side of my riding is badly in need of a new rink. Leo Steele and the North Sydney rink committee are doing a great job. They have raised over a million dollars from volunteers and have commitments from the business sector and local community members. The CBRM has also done its best to put a million dollars on the table. As many in this House know, a basic rink cannot be built for under \$10 million these days. More money is needed for infrastructure.

• (1220)

Recreation facilities right across my riding, and right across Nova Scotia and the country are in desperate need. Many of these were built in the 1970s and the condition they are in now, whether they be refrigeration equipment, bathroom facilities or the structures themselves, some need to be repaired and others need to be replaced. There has to be an infusion of money to help these recreation facilities.

The only bright side I see about infrastructure for municipalities in the budget is the gas tax transfer payment. Again, that was a Liberal initiative. The member for LaSalle—Émard announced it in Sydney a few years ago. It was greatly received not only by the province but also by the municipalities. I guess I have to say that the Conservatives did one good thing in this budget, which is to continue on with the Liberal initiative to leave the gas tax with the municipalities where it is greatly needed, but one wonders why the government has no new ideas of its own to deal with infrastructure or recreation.

Let me talk about roads. The roads in my riding are deplorable. During the break a few weeks ago I visited rural areas. I started in Pleasant Bay and travelled to Cape North, Ingonish, New Haven and Neils Harbour. Everywhere I went, the roads were in deplorable condition.

One might say that roads are a provincial issue, but they are not really, because the national park system is in much of my riding. Many of the residents of small fishing and tourist communities have to travel through the park system and the road are in much need of repair. Again, many of the roads were built in the 1970s and have to be fixed.

On my tour when I travelled the rural areas, including Iona and Middle River, the issues that need attention in those areas are roads and water. There is a new water line going in to Iona but it is not going far enough. The railroad is causing a problem. As we can see, the rural areas need a lot of help.

The Budget

Many in the House will recognize the village of Baddeck. This year Baddeck is celebrating its 100th anniversary. One hundred years ago the village was created and there will be some celebrations, but next year is going to be a very important year for the community of Baddeck. It will be the 100th anniversary of the flying of the Silver Dart by Alexander Graham Bell. It was done on a cold February day on the ice of Baddeck Bay 100 years ago. It was the first flight in all the Commonwealth. It is going to be a big event next year that will be held in Baddeck and all over Cape Breton.

It is not going to be just a Cape Breton celebration. It is going to be a Canadian celebration of the great inventor Alexander Graham Bell, who lived at Beinn Bhreagh and did much work not only for the deaf and hearing impaired but for the aviation industry. There is going to be a big do next year. It is going to kick off in February. There will be special events and will close off with the Celtic Colours, which is a big musical festival in my riding. People will come from all over the world.

My point is there is an ask in to the government to help the communities out with some infrastructure and facilities, but they have not seen anything yet and this could have been in the budget.

The city of Sydney is the largest community in my riding and it has some great economic opportunities. It used to be one of the busiest ports on the east coast with steel and coal. In World War II it was very busy. Right now it has big potential. There are cruise ships coming in. Coal is going to be hauled from Donkin. However, the port needs to be dredged. That is another thing.

Marine Atlantic is on the north side and the ferries go to Newfoundland. It was announced in the budget that it will get \$17 million, which sounds like a lot, but it is chartering a new ferry. It is not building a new ferry like we had in our plans. We also need new facilities there.

Also, there have been hardly any announcements in the last while from Enterprise Cape Breton, which is an offshoot of ACOA. We are very concerned about Enterprise Cape Breton because it is under review, especially when there has been a cut to the ACOA budget. We are wondering where the government is going on that.

• (1225)

In closing, as we can see, this budget is missing many major initiatives that could be done in Cape Breton and right across the country. The government needs to step up to the plate and get it done.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, what I liked most about the hon. member's speech is that when he spoke it came from the heart and it came from some experience he had already. When I listened to him, it could come to light because I come from a rural area much the same as the hon. member and I see what is going on in the municipalities.

I was also a former municipal councillor and I see the shortages. The average age of infrastructure across Canada ranges anywhere between 80 and 115 years. Communities and cities are the basic building blocks for the Canadian economy. Without that infrastructure in place, the communities fall apart. If the communities fall apart, then the economy starts to tremble and it starts falling apart. We need that infrastructure in place and it has to be renewed. I know

we can argue about whether it is provincial responsibility or it is federal responsibility but when it comes down to it, it affects all of us and all of us have a stake in this.

Maybe the hon. member could explain how ignoring the infrastructure will affect not only the economy in his riding but also the economy of all of Canada.

Hon. Mark Eyking: Mr. Speaker, that is a very good question from the hon. member for Nipissing—Timiskaming who is also our national caucus chair.

When we talk about the Cabot Trail, it is one of the icons of Canada. It was also voted in many magazines as one of the best destinations on Cape Breton Island to go to.

Now when the infrastructure is collapsing in this region, what happens? People do not travel. Tourists do not come. When they get disappointed about coming, they email back to other friends that this is a hard place to get to and that the roads are bad. It has a reflection on all Canada when a riding that has the Cabot Trail in it has infrastructure that is falling apart. In the summertime there are millions of tourists from all over the world visiting all these rural areas of the country. Most people visit to see our wildlife. What happens when they get on some of the roads and see some of the infrastructure? We need more infusion into our parks because when people go through our parks they need to have a good experience. They cannot see the scenery and watch the wildlife when their vehicles are going all over the place.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, we have had another impassioned speech from the member for Sydney—Victoria, another Liberal member, against the Conservative budget in the same way that the member for Welland gave an impassioned speech against the budget, but they are missing the final sentence, which I think would help clarify things for Canadians.

The final sentence is: I said all these things against the Conservative budget because it is a bad budget but I am voting for it. That is the important missing element from Liberal members of Parliament who are speaking against the budget in the House but neglecting to tell Canadians and their constituents that they are voting for it, that they are supporting this budget and propping up the government.

Most Canadians see that wrong direction as a complete absence of concern for working Canadian families. The budget does not have a cent for housing. Nothing in it actually affects Canadians' quality of life in a positive way. It just has a lot more corporate tax cuts. The government is a one-note government. The Liberals have some very legitimate criticisms but they are voting for it.

If the Liberals do not like the budget why do they not vote against it?

• (1230)

Hon. Mark Eyking: Mr. Speaker, the rhetoric from the NDP is continuously coming. We have one member there and then I think they just get into lines so they can continue to go.

The Budget

It is comical because it was the NDP that propped up the Conservatives to put them in power. We had all these initiatives, such as Kelowna and child care, but what happened? The NDP members put the Conservatives in power and now, all of a sudden, they want us to do the job of getting them out. It is just mind-boggling how they operate. They try to play this one off on each other.

The NDP members had the chance to stand up for some good initiatives when we were in power and now they are standing all mighty up here and saying that we are supposed to bring those guys down. We cannot flip-flop with every idea the NDP has every time we bring in the government.

I think he should give somebody else a chance to ask some kind of new question in this House so we can have a little more entertainment here.

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, I am honoured to have the opportunity to speak to the budget this afternoon and honoured to be splitting my time with the hon. member for Oshawa who is the Parliamentary Secretary to the Minister of Industry and who has done an outstanding job on behalf of not only his community but the auto sector and certainly industry across the country.

It is an honour to rise today in my place and speak in favour of budget 2008. This is a budget that delivers support for individuals, families, small businesses and large corporate employers. This is a budget that invests in Canada's physical capital and it is a budget that invests in Canada's human capital.

This budget, in particular, is one that speaks to the needs of my constituents in St. Catharines, a community where thousands of jobs depend on maintaining a strong and vibrant manufacturing sector, a community where thousands and more depend on trade and tourists to continue to flow across a safe and secure border and a community where thousands of students of Brock University need to work hard every day to ensure their tuition bills get paid. For my community, budget 2008 gets the job done.

We know that certain economic forces outside of our control mean that there will be challenges ahead but with this budget we have shown that we are ready.

In budget 2008, our government has laid out a strategic plan, with targeted investments in specific sectors, to ensure that our economy remains stable and that the next generation will have the skills it needs to compete in the new global economy.

I will speak to that strategy. Beginning in 2009, every Canadian over the age of 18 will be eligible to deposit up to \$5,000 per year in a tax-free savings account. The money deposited will not be exempt from tax but all capital gains and investment income on those sheltered funds will be. Withdrawals can be made at any time and they will not be taxed. Unused contribution room can be rolled over and the contribution limits will be indexed to inflation. Income earned within and withdrawals made from a TFSA will not result in the clawing back of any means tested federal benefits.

Finance Canada estimates that in combination with existing registered plans, the TFSA will eventually allow over 90% of Canadians to hold all of their assets in tax efficient saving vehicles.

All good economists know that incentives matter. This proposal gives Canadians a strong incentive to save, which will help keep our economy strong.

It is important for individual Canadians to be financially responsible but it is just as important for the government to do it as well.

That is why I am proud to be part of a government that as of budget 2008 will have reduced the national debt by \$13.8 billion by 2009-10. By 2012-13, total debt reduction by this government since coming into office will be in excess of \$50 billion. As I am sure Canadians know, thanks to the tax back guarantee, those reductions mean \$2 billion in annual interest savings by 2009-10 which will be dedicated to ongoing personal income tax reductions.

As I said earlier, this is a prudent Conservative budget with specific limited investments in targeted areas. One of those priority areas is infrastructure. Cities, like St. Catharines, need help to maintain and upgrade their physical capital. That is why I am glad to see that budget 2008 is making permanent the gas tax fund worth \$2 billion in 2009-10. That means on a yearly basis for a riding like mine close to \$2 million in yearly investment.

I am glad to see that budget 2008 sets aside money for public transit infrastructure. St. Catharines has already benefited from this government's commitment to infrastructure. Just last month I was honoured to announce that we received over \$1.7 million to improve water mains in the city of St. Catharines. It was money that was greatly needed and the improvements will be truly appreciated.

● (1235)

As I mentioned, St. Catharines is also very dependent on our manufacturing sector, which is why budget 2008 is great news for our city. It extends the accelerated capital cost allowance treatment for investment in machinery and equipment for three years, with a 50% straight line accelerated CCA treatment then provided on a declining basis over a two year period following.

Then there is the additional \$1 billion in support for Canada's manufacturing industrial sector that will go into the community development trust established just this past winter. Ontario received upwards of \$350 million of that funding. In combination, this is a tremendous shot in the arm for an industry hard hit by the international economic climate.

One of the largest employers in my community is General Motors so it is great to see that there is support specifically targeted for the auto sector and auto makers.

The Budget

First, the budget allocates \$34 million per year for new research to the Natural Sciences and Engineering Research Council targeted to the needs of key industries like the auto sector. Then there is the outstanding news that we are establishing an automotive innovation fund that will receive \$250 million over five years to support strategic, large scale research and development projects by automotive and parts manufacturers in developing greener, more fuel efficient vehicles. It is good news for the environment, it is good news for the economy and, most of all, it is good news for St. Catharines.

There was good news for students at Brock University and Niagara College. As the Millennium Scholarship Foundation winds down, we will provide \$350 million for a Canada student grant program in 2009-10, growing to \$430 million in 2012-13. Thanks to this reform of federal student support, we will now reach an additional 100,000 students from low and middle income families than we have been able to help under the current system.

Parents will be happy to hear that budget 2008 proposes to enhance the flexibility of RESPs by raising the maximum time limits that an RESP may remain open from 25 to 35 years and by extending the maximum contribution period by 10 years. In combination, those measures help make it possible for all Canadians to get the tools they need for our 21st century economy.

The budget also has a number of measures for families. It provides support for the Mental Health Commission of Canada to help develop best practices to aid Canadians facing mental health and homelessness challenges.

It provides support for Canada's food and consumer safety action plan will help prevent lead from showing up in children's toys. There is an expansion of the list of eligible expenses under the medical expense tax credit, including service dogs and training to help individuals cope with disabilities or disorders such as autism.

My riding has over 23,000 seniors who are active and involved in the political process. I know they will be happy to hear about the results delivered in budget 2008.

Like I said, good economic policy is all about incentives, which is why we are increasing from \$500 to \$3,500 the guaranteed income supplement exemption for earned income. In other words, we are ensuring that lower income seniors who want to stay in the workforce are not facing government disincentives if they make that choice.

In the same vein, we are extending to 2012 the targeted initiative for older workers to help even more older workers who want to stay in the workforce.

For seniors facing the risk of elder abuse, budget 2008 provides over \$13 million over three years to help seniors and others recognize the signs and symptoms of this terrible phenomenon.

To recognize the debt of honour we owe Canadians and our veterans, budget 2008 expands the veterans independence program to support the survivors of veterans. It is the right thing to do.

Finally, I mentioned that my community needs trade and tourism to keep flowing over a safe and secure border and budget 2008 makes that possible. We will be investing over \$15 million in

Niagara over two years to establish a permanent facility to enhance the security of the Great Lakes-St. Lawrence Seaway region.

People right across the country will be glad to see that budget 2008 commits to introducing a higher security electronic passport by 2011 and doubling the validity period to 10 years when this passport is launched.

This a good budget. It shows an awareness of the challenges we face and sets our country on a prudent, responsible course that will see us through to a prosperous future. I eagerly await its passage and look forward to seeing its benefits at home in St. Catharines and right across our great country.

● (1240)

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I compliment my colleague for his remarks, but at the same time I am confused about the fact that there was very little in his remarks about the fact that the Canadian Federation of Municipalities had stated that there was about \$123 billion of infrastructure needs across this country.

I am a former Toronto city councillor. The city of Toronto is clearly experiencing pressures associated with the realities in regard to roads, buildings, bridges, schools, recreational facilities, sewage systems, inter-city transit, and the list goes on.

The mayor of the city of Toronto, David Miller, wrote to this particular Minister of Finance on February 13, 2008 about the need for a partnership with our cities. He talked about Toronto's pre-budget submission which included a call for a national transit strategy and an action plan on homelessness. What we have seen from this government, it has not delivered in this budget.

Maybe my colleague could comment, not just about Toronto's needs but really the infrastructure needs of cities because that is missing in this budget.

Mr. Rick Dykstra: Mr. Speaker, I appreciate the compliment from the member in regard to the speech and I am certainly happy to clarify.

He asked about infrastructure. We have provided over \$33 billion in the 2006, 2007 and 2008 budgets. When we put together the building Canada fund, and if all of the provinces, territories and municipalities partner with us, that will bring us to \$100 billion. We have told municipalities, "The gas tax is yours. Do not ever worry about having that taken away. It is staying right where it is". That allows municipalities to plan long term.

In this 2008 budget alone, we have provided \$500 million for public transit. In the 2006 and 2007 budgets, there were huge investments in affordable housing. We are investing in infrastructure.

The Budget

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, I would like to thank the hon. member for St. Catharines for the great work he is doing on the finance committee and for his presentation to us this afternoon. I also wanted to thank the hon. Liberal colleague who mentioned Kelowna. I have the great privilege of representing the constituents of Kelowna—Lake Country and there were some comments about municipal council.

I had nine years of service on local council, as did my colleague from St. Catharines, and I know the importance of investing in infrastructure.

It was the hon. member for Port Moody—Westwood—Port Coquitlam who pushed the previous government to get the gas tax in on a sustained basis for local governments. I am really proud to be part of the government that is going to have that long term stable, predictable funding for local governments, so when they go to prepare their budgets each year, they know that the money is there and they can rely on the government for investing in infrastructure, people and knowledge.

I would like to thank my colleague for his comments about the tax-free savings account. Talking about the economy, there is also another issue, the other component in social, cultural and arts perspective, which is the environment. I would ask my colleague to bestow some of his wisdom on this group here as far as what is in the budget and how our government is investing in the environment.

• (1245)

Mr. Rick Dykstra: Mr. Speaker, one of the priorities that we made in the 2007 budget was to make sure that our ecoenergy policies and programs moved forward. The 2008 budget simply builds on the strength of the ecoenergy programs. We invested over \$1.2 billion in the 2007 budget, and another \$33 million this year with respect to the carbon issue that we are dealing with as a country.

I might just point out that as a member of the finance committee I had the opportunity to travel across the country and I know that the member for Saint-Léonard—Saint-Michel, who sits on the committee with me, indicated that he was the only member of the Standing Committee on Finance to travel everywhere across the country, and had actually as a vice-chair, chaired a couple of meetings. He indicated that he was the only member there, as if the government for some reason did not want to be there. He suggested that and I am not sure exactly what he meant by it.

I certainly want to indicate that the member needs to be corrected because I attended every single meeting that this finance committee held across the country. We heard about issues like the environment and infrastructure, and we have responded.

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, it is my pleasure today to speak about the benefits of budget 2008 for my hometown of Oshawa. I want to thank my colleague, the member for St. Catharines, for his excellent speech and his dedication to the auto sector.

For too many years Liberal governments ignored Oshawa, but no more. This Conservative government has delivered again and again for the city of Oshawa, and through budget 2008 that legacy continues.

This is our government's third balanced budget in a row. It builds on our long term economic plan and delivers real results for Oshawa residents. The residents of Oshawa expect their government to be responsible and show strong leadership as the country goes through economic uncertainty.

We are taking the same approach to federal finances as families would with theirs. In times of economic uncertainty, we do not overextend ourselves. We pay down the debt and focus on government spending.

We understand what opposition parties do not. Government surpluses do not belong to us. They belong to hard-working Canadians, like those in Oshawa. We will not make uncoded spending promises like the Leader of the Opposition. Those promises would, without question, plunge Canada back into deficit and run up a bare minimum of \$62.5 billion in new debt.

Canadians will not go back to false Liberal promises, and I am overjoyed that over two years ago the residents of Oshawa voted for change and voted for a responsible Conservative government.

Budget 2008 builds on the decisive, pre-emptive action taken in the 2007 fall economic update and during winter 2008 to lower taxes for people and businesses, pay down debt, and provide targeted support to troubled industries.

One of those industries is the automotive sector, an industry that Oshawa depends upon and one that I care deeply about. I am acutely aware of the current challenges facing this critical sector and the unfortunate job losses, which is why this government will continue to deliver real tangible results that address these challenges head on.

It was this Conservative government that had the foresight to act ahead of the curve to protect our manufacturing and auto industries.

We are creating a competitive tax environment through broad-based tax reductions that support job creation, growth and investment in all sectors of the economy, including manufacturing.

Actions taken by the government since 2006 are providing \$21 billion in incremental tax relief to Canadians and Canadian businesses this year alone. This is a significant and substantial economic stimulus equivalent to 1.4% of Canada's GDP.

Specifically, the government will provide over \$9 billion in tax relief by 2012-13 to the manufacturing sector. We have also responded by extending the temporary capital cost allowance for manufacturers for three additional years on a declining basis, which will assist the sector to restructure and increase investment.

Our plan is taking affect. There were approximately 18,000 new manufacturing jobs created in January and the manufacturing unemployment rate is 5.9% versus the national rate of 6.1%.

Our auto industry is a great source of pride to us in Oshawa and through budget 2008 we will take the needed steps to ensure that it will always remain something of which to be proud.

The Budget

The actions taken by this government will result in over \$1.6 billion in benefits for the automotive sector over this and the next five years. Moreover, the automotive sector will also benefit from over \$1 billion in tax relief by 2013.

Once again, our actions are making a difference. In February 2008 General Motors of Canada saw a sales increase of 14% over the same month last year. The year 2008 is already off to a good start.

In order to ensure the auto industry continues to thrive and succeed, the Minister of Industry has recently unveiled our government's auto action plan. This approach is built on four pillars: first, a positive business climate; second, an integrated North American auto sector; third, investing in automotive research and development; and fourth, the creation of a new automotive innovation fund, a \$250 million fund to lever large scale private sector R and D and innovation in greener, more fuel efficient vehicles.

This is great news for Oshawa auto workers. The Liberals ignored Oshawa's auto needs and under their watch there were significant plant closures in 2004-05.

• (1250)

The Canadian Vehicle Manufacturers' Association knows we are on the right track. Mark Nantais, president of the CVMA, said on February 29:

The federal government's attention and focus on one of Canada's most important sectors of the economy is greatly welcomed and well timed given the challenges currently faced by Canada's vehicle manufacturers...The government's policy is positive and should assist our industry as it transforms, adapts and strengthens in response to unprecedented global challenges.

We are getting the job done for the auto industry.

I would also like to take some time today to talk about the benefits of this budget to students and hard-working Oshawa families. To date, our government has made nearly 60 tax cuts that will provide almost \$200 billion in tax relief over this and the next five years, \$140 billion of which will be for individuals.

Our government is establishing a proud legacy of tax relief. We have provided relief in every way that government collects taxes: personal taxes, consumption taxes, business taxes and excise taxes. We are now rounding out our tax relief package by reducing taxes on savings with a new tax-free savings account.

Oshawa residents have told me we need a mechanism that will allow them to save more of their hard-earned money and watch it grow, and this government has delivered. This is the first mechanism of its kind in Canadian history and the most important savings vehicle since the introduction of the RRSP.

Budget 2008 is also delivering for our students. As a father of three children, I strongly believe in investing in tomorrow's leaders. Budget 2008 invests in our youth and will give them the tools they need to succeed. As the Canada millennium scholarship foundation winds down, our government will provide \$350 million for the Canada student grant program, growing to \$430 million in 2012-13. This funding will reach over 100,000 more students from low and middle income families than the current system.

Budget 2008 is building on initiatives that have already been announced for students. These include education, tuition and textbook credits, public transit credits and an apprenticeship job creation tax credit. We are creating a climate of success for our students and budget 2008 is taking a huge leap forward.

Through budget 2008 we are also protecting those in need in our communities. To date the Conservative government has committed \$1.4 billion over three years through three trusts with provinces and territories to help address short term pressures with respect to affordable housing. I have had the privilege of making housing announcements over the past two weeks, one at the Anderson House and the other at Houselink Delaware, and saw firsthand the results of this funding.

We have also committed funding to affordable condominiums in the GTA and to renovate the historic Oshawa hotel. These new units will allow lower income families and individuals in Oshawa to live in safe, quality housing at an affordable cost. We are delivering on a commitment to help those who are homeless and at risk of becoming homeless.

Regrettably, those who are homeless often suffer from mental illness as well. To that end, our government is providing \$110 million to the mental health commission to support demonstration projects focused on homeless people who are mentally ill.

In addition, through budget 2008, we are providing \$500 million to make further investments in public capital transit infrastructure. This funding will directly benefit the residents of Durham region through the re-establishment of the rail link between the city of Peterborough and Toronto's Union Station, which will flow through the north of Oshawa.

In February, Minister Flaherty also committed \$2.5 million to the Durham region for the development of a long term transit plan. This fund—

• (1255)

The Acting Speaker (Mr. Andrew Scheer): Order. I just want to remind the hon. parliamentary secretary that we do not use proper names, just riding or titles.

Mr. Colin Carrie: Mr. Speaker, budget 2008 will also make the gas tax a permanent measure to help municipalities finance their long term infrastructure needs. Oshawa is receiving approximately \$11 million and with this measure, the residents of Oshawa are now assured that money will flow directly to the city.

These are just some examples of our Conservative government delivering for Oshawa residents. This is a breath of fresh air for my constituents who have gotten so used to being ignored by previous Liberal governments.

The Budget

Unlike the Liberals, we believe Canadians pay too much tax. We understand that high taxes are not good for families, businesses or the long term national interest. That is why, through budget 2008 and previous budgets, we are delivering historic tax relief that will leave more money in Canadians' pockets.

We also do not want to saddle future generations, our own children, with debt. We have already reduced Canada's debt by over \$37 billion to bring the national debt to its lowest level in 25 years. Canadian taxpayers have paid for Liberal inaction with scandals and boondoggles, and I know the people of Oshawa will not go back to that.

In conclusion, budget 2008 is balanced, focused and prudent, and it delivers for all Canadians, including my constituents of Oshawa.

I want to especially thank the Liberal Party for supporting the Conservative government's third balance budget. Its support proves that it believes that this is a Conservative government that is best equipped to lead Canada through these uncertain times. I thank the Liberal Party for allowing this budget to go through.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, for every dollar in the budget that is spent on social services or for people in Canada we see \$6 in corporate giveaways in the form of corporate tax cuts or subsidies. The priority is obviously wrong.

I heard a lot of discussion about infrastructure needs, for example, just a few minutes ago. I notice that for the city of Toronto there is hardly any funding in the budget for roads and highways, to fix the potholes or to deal with city transit initiatives, to build the subways and buy the new buses that are desperately needed, as they are in different cities. There is really no national transit strategy at all.

There is hardly any funding for seniors or for health care and hiring more doctors to take care of people in need.

How could anyone support a budget that is so wrong-headed and pushes Canada in the wrong direction?

Mr. Colin Carrie: Mr. Speaker, I thank the member for allowing me to answer this question, because it proves that the members of the NDP do not even read or pay attention to the budgets that have been passed or that they have voted against.

In the current budget there is over \$500 million for new transit money. That is right in the budget. Before the budget was even out, the members of the NDP said they would vote against it. If they had paid attention, they would know that this year, because of fixing the fiscal imbalance, Ontario alone is getting \$2.7 billion more in federal money to work with its infrastructure needs.

If the hon. member were paying attention, she would know that the government committed \$33.1 billion over seven years, which is the largest investment in infrastructure since the second world war. We are going to be able to leverage that with our provincial partners and with municipalities up to over \$100 billion in new infrastructure.

The hon. member talked about corporate tax cuts. What she did not realize, when she was not listening to my speech, is that there is over \$200 billion in tax relief, of which \$140 billion goes directly to individuals. She does have to read things before she votes against them.

• (1300)

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, my Conservative colleague talked a lot about the program to help the auto industry in Ontario. He said that this program helps the people of Ontario, and rightly so, since Ontario has been the hardest hit.

It makes sense that an assistance program for the auto industry is concentrated in Ontario, and that there is no assistance for Prince Edward Island or Alberta, in the same way that it made sense during the mad cow crisis that money was given primarily to Alberta, where the crisis was going on.

However, today we see that with respect to assistance for the manufacturing and industrial sectors, the per capita funding is not going to Quebec, the province experiencing the most difficulties.

Why does the government not send the money where it is truly needed? When Quebec needs help, why does it not get any? And why do Alberta and Prince Edward Island receive more money per capita, when they are experiencing fewer difficulties in the manufacturing and forestry industries?

[*English*]

Mr. Colin Carrie: Mr. Speaker, before the budget, this government took a proactive approach. If the hon. member remembers, in this House we talked about the \$1 billion community trust fund, which the government initiated before the budget because it was needed for the manufacturing and the forestry sectors, especially for one-industry towns.

To talk about Quebec, right now I believe it has one of its lowest unemployment rates in over 30 years. This government understands that it is important to support different sectors. That is one of the reasons we have what is called SADI, the strategic aerospace and defence initiative, which puts aside \$900 million for the aerospace industry. If the hon. member would look at the statistics, he would see that the aerospace industry in Quebec is doing wonderfully.

Over the next few years, this government will be giving record amounts of tax cuts, putting more money into businesses. As for lowering corporate taxes, what the hon. member does not realize is that it is going to create more jobs for the people of Quebec and more jobs for the people of Canada.

[*Translation*]

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, first of all, I would like to say that I will share my time with the member for Vaudreuil-Soulanges.

The Budget

I am very pleased to rise today in this House to talk about my views on this budget, views that are shared by the women we represent, aboriginal women, senior women, single mothers, women who are still in school and veterans' widows. In short, we feel that the budget is certainly not favourable, and this is definitely one of the reasons we will vote against it.

Last week, the UN held its 53rd session on the status of women. The minister did not attend, but the coordinator of Status of Women Canada, Clare Beckton, was there. What a surprise it was for the representatives of the social groups at that session to hear Ms. Beckton's statements, in which she simply repeated that Canada would develop an action plan, as set out in the budget, and that Canada's position was very low compared to some European countries, such as the United Kingdom.

This meeting was also attended by Michèle Asselin, of the Fédération des femmes du Québec, Louise Riendeau, of the Quebec association of women's shelters and transition houses, and representatives of many other organizations such as the CSN, FIQ and FTQ. They roundly condemned the fact that, although the budget included an action plan, there was almost no point in mentioning it because an action plan had already been adopted some years ago, in 1995, namely the Beijing platform for action. This is the action plan that we should be implementing to ensure that women are afforded equality and equity.

This year, the rhetoric was to have been transformed into action by implementing the Beijing platform for action. I would also like to point out that the report submitted to the Status of Women Canada committee in 2006 by the expert panel of which Ms. Langevin of Laval University was a member, pinpointed the issues and the means of addressing the challenges.

Therefore, we really wonder why the budget mentions a plan, when there are no specific measures geared to women to improve their status, pay equity and so forth. Serious questions are being raised. Are they just trying to look good? In the throne speech, the word woman appeared only once. This year, we have a brief paragraph of six lines that talks about women without providing the means to meet the needs identified by a number of groups.

Prebudget consultations were held and groups told the government exactly what they wanted to see in the budget to improve their condition. It is fairly surprising to note that nothing came of all these consultations. We are left wondering. Is it worthwhile having these consultations? Does the government really want to know what women want to see in budgets or is it all just window-dressing?

Personally, I tend to believe the latter. I have the impression that it is just window-dressing. In fact, the budget before us takes a step backwards. A gender-based analysis should have been carried out before the budget. Unfortunately, there is no sign of it.

As Ms. Beckton explained it to us, gender-based analysis (GBA) is supposed to be carried out within the various departments and services before approaching the Treasury Board or the Privy Council. If the gender-based analysis had been done properly, the GBA champions in the various departments would have been able to point out the contradictions in the measures proposed.

● (1305)

I am convinced that these people, who do nothing but this kind of work, would have informed the ministers concerned of the different measures proposed and they would have persuaded them to make changes to those measures so that they truly respond to women's needs and whatever had been found using gender-based analysis. Unfortunately, we see those concerns were not taken into consideration in the measures—and there are not many—that appear in this budget now before us.

Canada has been criticized several times in recent years by the United Nations and by CEDAW, the UN Convention for the Elimination of All Forms of Discrimination against Women. Moreover, Canada is still under investigation this year and CEDAW has criticized Canada many times. There is also ICESCR, the International Covenant on Economic, Social and Cultural Rights, which has criticized Canada on several issues, including employment insurance, the absence of day care in Canada and aboriginal women. I say “absence of day care in Canada” because everyone in this House certainly knows that day care services are well provided in Quebec. Quebec has provided day care services and ensured that women in Quebec have proper and effective day care services and that their children are well protected and receive an education that promotes their development until they are able to go to school.

I think that is a real shame because it was a wonderful opportunity for the government to demonstrate that it really is concerned about the status of women. We saw that with older women who are veterans' widows. I have said often enough that my own mother is a veteran's widow. She took care of my father for 40 years. Today, she needs help. With this new program that the government has introduced, there is no way for her to receive help, even though she has been a widow for 20 years and she looked after my father for 40 years. It is very clear that my mother is much older than she was in those days. Now, she is the one who needs help.

Yet, the government is not interested in providing help to these widows whose husbands spent six years at the front. We see people now returning from the war in Afghanistan after spending six months at the front and those people are suffering from post-traumatic syndrome and all kinds of conditions. There is help for them.

When my father went to war, from 1939 to 1945, he spent six years on the front lines. He took part in all the Mediterranean campaigns, and yet, when he came back, there were no services to help him deal with post-traumatic shock. The only way he could get through the post-traumatic shock was by being with his family, his wife, the woman who helped him his entire life. Today, those very people are being denied assistance, those people who acted in a very exceptional way to support our soldiers returning from the second world war after experiencing so much trauma.

The Budget

They are not the only people who were abandoned by this budget. Indeed, aboriginal women were once again overlooked. Once again, the government decided to give small amounts of money to small organizations and groups, instead of giving significant amounts of money in order to ensure that aboriginal women living in first nations communities can benefit from adequate services to meet their needs.

We saw that shelters for aboriginal women receive a subsidy of only \$90,000 a year, while women's shelters in Quebec receive a subsidy of \$300,000 a year. Yet the needs are quite different. For aboriginal women, the shelters are in the community and are known to everyone. The challenges are therefore even greater. They need even more support and greater security. They must be given adequate services to get out of their difficult situations.

I am being signalled that I have only one minute left and I will soon be cut off. Yet I have so much more to say. I will come back to this topic, there is no doubt.

•(1310)

[English]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I will give the member time during her answer to finish her speech as there were other things she wanted to say.

She outlined a great number of cuts to women's programs, including the Status of Women programs. People cannot lobby through the court challenges program or the Law Reform Commission. There were cuts to programs for aboriginal women.

There is another point on aboriginal women that she did not mention. Recently there was an excellent report on how homelessness is affecting northern women. There has been absolutely no reaction from the government. The government did not even attend to listen to the women's groups from the three territories.

However, I have a question for the member. It is not just about dollars and cents, is it? Is that the only problem? Or is it symbolic and is it the tip of the iceberg of a larger attitudinal problem toward women?

[Translation]

Ms. Nicole Demers: Mr. Speaker, we cannot hide our heads in the sand. We must recognize that this is a very, very conservative and very, very right-wing government. We cannot help but be afraid that, with measures like the ones that have been adopted, things would be even worse if the Conservatives had a majority government.

My colleague mentioned the homeless. There are currently 4.2 million homeless people in Canada. We have never seen or known such poverty. Yet the government has a \$14 billion surplus which it is whittling down by spending on military equipment and giving tax breaks to oil companies that are making so much money, they do not know what to do with it. The Government of Alberta is forced to send cheques to people because it no longer knows what to do with the money. It is disgraceful.

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I found my colleague's speech very interesting. The Bloc Québécois frequently notices that the government does not listen to the consensus in Quebec, where we want to make our voice heard and help people in difficulty. Even though the Bloc Québécois passes on

what Quebeckers are thinking, neither the Liberals nor the Conservatives ever take any action. The government never listens to Quebec. In the medium term, the Bloc Québécois will continue to push and fight to make Quebeckers' voices heard, so that the government will take action.

Could my colleague, as a member of a sovereigntist party, suggest how Quebeckers might get out of this situation, have real control over all their laws and all their taxes and make their voices heard on the international stage?

An hon. member: By becoming independent?

•(1315)

Ms. Nicole Demers: Mr. Speaker, I am very proud that a Conservative member has shown a glimmer of intelligence for once. Bravo! By Quebec sovereignty—

An hon. member: Quebeckers do not want it.

Mrs. Nicole Demers: Quebeckers do want it, and they will take a responsible approach, as they have always done. We want to do it democratically, and we will continue to work democratically to help people understand how important it is for Quebec to have its own constitution, its own institutions, its own taxes and its own rights. These things will help Quebec make progress in the direction in which it has been heading for several years now. Unfortunately, the federal government is constantly getting in our way. Nevertheless, Quebeckers are making slow and steady progress toward developing better programs for themselves.

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, I would like to begin by thanking my colleague from Laval for sharing her time with me and for her analysis of the status of women. I am sure that she could tell us much more, and that it would all be just as interesting as what she has already said. Unfortunately, the government will not have the pleasure of hearing more just now, but I am sure that she will return to the subject in the future.

I am also pleased to see that my colleague from Jeanne-Le Ber, who has taken over as citizenship and immigration critic, is here in the House today. Although I appreciate the current government's investment in accelerating citizenship and immigration case processing, I find that it has done very little about refugees. Also, the government could have done a lot more about the fees that must be paid by permanent residents coming to Canada.

Without further ado, I would like to talk about the minority Conservative government's third federal budget. I wish I could say that the government has listened to the people, but that is certainly not the case. The day after the budget was presented, Quebeckers, on the whole, reacted negatively.

I want to remind this government that we told them about the threat of an economic slowdown and about the need to change course accordingly. Unfortunately, I have no cure for the government's plugged ears; they remain deaf to the demands of the Quebec people.

The Budget

I will not support this budget, and the reasons are very simple. The Bloc Québécois consulted several communities throughout Quebec. From these consultations, we determined some guidelines, or six priorities that the government should focus on.

The government should address the crisis in the manufacturing and forestry industries, for which there was a request for \$5.5 billion.

We also wanted the government to restore dignity to seniors who receive the guaranteed income supplement and still live under the poverty line and the low-income cutoff. We were calling for \$3.9 billion in retroactivity. When the government was in the opposition, it promised to reimburse seniors.

We wanted \$3.5 billion to increase education transfers.

The government should invest \$1 billion for status of women and social housing.

Furthermore, \$398 million is needed to promote culture.

Lastly, we wanted \$1 billion to make a 180-degree turn on the environment.

In the riding of Vaudreuil—Soulanges, more than 400 people told us their expectations for the budget and the use of the surplus. We carefully analysed all the proposals sent to my constituency office. There were expectations concerning measures for seniors, the environment, taxation, health, families, education, housing, and so on. We analysed all the recommendations and expectations shared by the public. I can also say that people had some rather high expectations concerning the use of the surplus.

This was a fantastic example of public participation, and I would like to thank these people for their help. The results have been made public.

• (1320)

I should add that there was a huge amount of support for seniors who are not receiving fully retroactive guaranteed income supplement payments and are living below the poverty line. The Conservative government will have to answer for its actions and its political choices. Here again, the response greatly exceeded our expectations, and I would like to thank the local stakeholders and community organizations for their contribution. We are getting results when politics serves the people and not the reverse.

The Conservative government brought down a very slim budget and did not listen to repeated calls to use a portion of the surplus before March 31, 2008. Quebecers want a change in direction and major gains for Quebec. Today they are disappointed, and this budget does not come anywhere near reflecting their interests and values.

In the past two years, this Conservative government has spouted its ideology and slashed social programs without any real debate here in the House or in society at large. It is shameful. The government has not even made a commitment to develop foreign policy or defence policy to justify the militarization of Canada. It makes no sense.

Mr. Speaker, in their budget, the Conservatives decided to put all their extra cash towards the debt. They increased military spending,

maintained help to western oil companies and promoted nuclear development while entire sectors of Quebec's economy, hit by crises in the manufacturing and forestry sectors, are suffering because of Ottawa's laissez-faire attitude.

Workers have also been abandoned and many organizations were counting on this budget for a little help. It is true the Conservatives established a reserve for the employment insurance fund but they are endorsing pillage of the fund by refusing to return the \$54 billion already drawn. This money belongs to workers and employers. The government must return it. Unemployed workers would also like to see the EI system improved.

The Conservatives turned a deaf ear to farmers and cattle producers, who were expecting much more aid in view of the urgent issues and the income crisis they face. There is nothing new in the budget for these vital economic sectors in Quebec. If that were not enough, the government went so far as to give \$250 million to Ontario's automobile industry when Quebec's problems are just as urgent. In fact, the Conservatives refused to meet the needs expressed by industry and all sectors, including the Government of Quebec.

The Conservatives were in a position to meet Quebec's needs given that there is a surplus of \$13 billion for the 2007-08 fiscal period, according to government figures, and room to manoeuvre with the \$8.2 billion surplus for 2008-09, according to Bloc Québécois calculations, which have proven to be on the mark, year after year.

The Harper government intends to use the entire budget surplus to pay down the debt—

• (1325)

The Acting Speaker (Mr. Andrew Scheer): The hon. member must refrain from using the names of members. Please use the name of the riding or the member's title.

Ms. Meili Faille: Mr. Speaker, the Conservative government intends to use the entire budget surplus to pay down the debt, and I find that unacceptable. The Conservatives must reverse that decision before the end of this fiscal year. They do not seem even close to doing so. As a result, they will have to suffer the consequences of their decisions. They will have only themselves to blame if an election ensues. If that happens, you can rest assured that they will find us in their path.

Regarding citizenship and immigration, if I may, I would like to come back to a topic that I have discussed at length here in the House since I was elected, namely, the issue of the refugee appeal division. I cannot believe that a government that has the means at this time is refusing to allocate the \$10 million needed to get the refugee appeal division up and running.

I would also like to point out this government's indifference when it comes to the appointment process for the Immigration and Refugee Board. At present, delays and a shortage of commissioners are causing considerable harm to the public.

The Budget

[English]

Ms. Penny Priddy (Surrey North, NDP): Mr. Speaker, I listened to the hon. member's comments. I want to ask a question based on my personal experience living in the city of Surrey, which has for a long time been one of the fastest growing cities and remains one of the fastest growing in the country.

When we look at the budget from a Surrey perspective, the infrastructure that is so important to us, like flood control for farmers as there are more floods in Surrey, is not there. Transportation for a city our size is not being enhanced at all.

I want ask the member particularly about mental health services. A study is being done by very respectable people, but people with mental health needs are being studied to death. I use the phrase "to death" deliberately, because many people have died while we study. What it really means is we need services, assistance and housing. When I ask about housing, I hear about mental health. People with mental health needs will not cover themselves with the paper that will be created by the study. They need actual safe places to live.

Is the perspective I see from Surrey reflected in the perspective the member from Quebec sees?

[Translation]

Ms. Meili Faille: Mr. Speaker, I would like to thank my colleague for her question on the mental health issue. I want to emphasize here before the House that we are not investing enough in a number of areas, including the program to reduce homelessness.

The population of my riding is increasing quite quickly and the needs are ever greater, but unfortunately, the budget does not live up to what the people of my region expect.

There are two different realities in my region: rural life and urban life. Each has its own problems. One of them is the lack of housing. There is very little investment in social housing and, in addition, people with mental health problems do not get the services they need.

[English]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, does the member think this is an environmentally sound budget? A constituent from a small village said that the budget offered nothing. She wanted people to clean up the tar sands and to establish a carbon tax. Is there any of that in the budget?

I looked at the environment page in the budget to see exactly what was done. The biggest item on a cleaner, healthier environment is investing \$300 million to support nuclear energy, including the development of an advanced Candu reactor. As we know, that is a reactor we sell for profit. I do not have a problem with this, it is fine. However, is this the biggest item on the environment?

Is this helping the people who are wheezing, coughing and dying from the effects of pollution? Is this helping to clean up dirty water and air? Would the member comment on the environmental aspects of it, the carbon tax, the tar sands and the fact that is the biggest item?

● (1330)

[Translation]

Ms. Meili Faille: Mr. Speaker, I also want to thank my colleague for his question.

As I said in my speech, I consulted with the people of Vaudreuil-Soulanges and they were quite clear on the environmental issue. They want practical steps to fight climate change. We are certainly investing in hydroelectricity in Quebec. We encourage it, therefore, and expect to receive what is owed to us by the government and due recognition of the efforts that Quebec has made.

Other ideas came out as well. People were very disappointed with the rebates for hybrid vehicles, that is to say, the money that was provided for a program to encourage people to use vehicles that are safer for the environment. People also think that the government should do more to tax industries that pollute. In addition, people wanted more significant investment in public transit.

[English]

Hon. Jim Prentice (Minister of Industry, CPC): Mr. Speaker, I will be sharing my time with my colleague, the hon. member for Louis-Saint-Laurent.

Last week the Minister of Finance delivered our government's third budget, a budget that builds on our record of strong financial management. It is a budget that reinforces the fiscal advantage for Canada and provides for responsible leadership in the current period of economic uncertainty.

In the past three budgets, including budget 2008, the government has provided more than \$2.3 billion in new resources for science and technology initiatives. Focusing on targeted priorities, we will maximize the impact of these investments by ensuring they are applied where Canada can use its strengths to make a difference. We are carefully managing spending, reducing debt and ensuring government programs provide value for money while keeping the tax burden to a minimum.

Let me mention a few key measures that we have taken.

Since 2006, our government's actions will provide \$21 billion in incremental tax relief to Canadians and to Canadian businesses this year. We continue our record of strong fiscal management, reducing debt for 2007-08 by \$10.2 billion and \$13.8 billion by 2009-10. In fact, by 2012-13 total debt reduction, since we came into office, will be more than \$50 billion, which is a remarkable achievement.

The Budget

Moreover, we are ensuring that programs and services are affordable, that they are focused and aligned with the priorities of Canadians. In fact, spending this year, as a share of GDP, is below the track set out in budget 2007.

Budget 2008 recognizes the importance of the automotive industry to our long term economic success. Canada's automotive industry is a world leader and provides high quality jobs in many communities across our country. The actions taken by the government will result in over \$1.6 billion in benefits for the automotive sector over this and the next five years. The auto sector will benefit, as I pointed out, from over \$1 billion in tax relief by 2012-13. In budget 2008 we have also extended the temporary accelerated capital cost allowance treatment for three years on a declining basis. This will provide the manufacturing and processing sectors both with an additional \$1 billion in tax relief.

As promised, we have cut the GST from 7% to 6% and now 5%, which has lowered the cost of all new vehicles for Canadians.

The automotive sector produces 12% of our manufacturing gross domestic product and accounts for 24% of our exports. It directly employs over 150,000 Canadians. At this point in time one out of every six vehicles that is manufactured in North America is made in Canada. Our automotive plants are renowned for their high productivity and for their exceptional quality.

Worldwide the automobile industry is, however, changing and automotive technology is evolving very quickly. This presents both a challenge and opportunity for us in Canada. The competition around the world for new assembly plants is, quite frankly, fierce and the future will belong to those countries that both invest the most and aggressively innovate.

In budget 2008 the finance minister announced new key initiatives that broaden and deepen our approach to positioning Canada in this fast paced technologically driven industry. The approach is built on four pillars, which I spoke to in Toronto recently: first, a positive business climate; second, an integrated North American auto sector; third, investing in automotive research and development; and fourth, creating a new automotive innovation fund.

Dealing with the positive business climate, our strategic economic plan, "Advantage Canada", creates the first pillar, and that is a positive business climate, which we have achieved by lowering taxes, by cutting red tape, by investing in critical infrastructure and by fostering what is the best educated, most skilled and most flexible labour force in the world.

• (1335)

This warrants emphasis. I have been to the floor of the assembly plant for trucks in Oshawa. The Canadian workers are the best workers. They are the best automobile assembly people anywhere in the world, with the highest quality product, the lowest number of down days and the lowest number of qualitative problems on the assembly line.

It does not matter of what company we speak. Our plants in Canada earn high marks. In many cases they are best of class facilities and in many cases they are award winning, world calibre facilities.

The second pillar aims to preserve and support the deep integration of the North American market for vehicles and parts. The Canadian automotive industry has succeeded over the past 40 years because it has integrated with the U.S. industry and has enjoyed easy access to the U.S. market.

There is only one automotive industry in North America. Whether we are speaking of Mexico, or the United States or Canada, this is an industry that is integrated across borders. It must be harmonized if we are to achieve the competitiveness that we need to achieve on a North American basis so we may take on all comers in the future.

In particular, the border at the Windsor-Detroit crossing is becoming increasingly clogged. We cannot remain competitive with a border that clogs and slows down the smooth operation of an integrated industry. Something approaching 40% of Canada's trade is carried across a single bridge constructed before the great depression, the so-call Ambassador Bridge. This is a critical point in terms of our capacity to trade with our American neighbours. I have pointed out repeatedly in other circumstances that in excess of the amount of trade done between the United States and Japan in an entire year moves back and forth across that single bridge in the same period of time.

We are working hard to remove barriers to the cross-border flow of vehicles and auto parts. The government will provide \$400 million for an access road to the new Windsor-Detroit border crossing, which will also be expanded to provide seamless transportation of goods and services. This is something no previous government has been able to achieve. This government is, and we are moving forward.

The third pillar of our approach speaks to the importance of investing in R and D. Over the next five years, the government will use new resources in budget 2008 and will redirect existing resources in that budget to create a coordinated automotive R and D plan with industry and key provinces.

Our approach is going to focus on research and development support, which is the dollars the Government of Canada is currently expending, on creating a more innovative Canadian auto industry, making Canada a leader in green automotive technologies, in greenhouse gas reduction and in the long term competitiveness of the automotive sector.

If Canada is to do this, we need to go one step further. That is where the fourth pillar comes in. The United States and Mexican governments provide extensive support to attract this kind of new automotive investment. Canada's new automotive innovation fund, announced in the budget, allocates \$250 million over the next five years to lever large scale private sector R and D and innovation. The fund will target areas in which the Canadian automotive industry has already secured a worldwide reputation, a reputation that we will build on and retool for a new, environmentally conscious, fuel efficient innovation.

The Budget

Our goal is ambitious. It is to ensure that Canada remains the best place in the world to assemble automobiles, but the Government of Canada is just one player. Our success depends on a strong partnership with all members of the automotive team. That includes industry, labour, research institutes, academia, all levels of government and industry itself.

We have a sound approach for the automotive industry. We are dealing with the circumstances of creating a Canadian value proposition. We have been very good at automotive assembly in the past in our country and we have to be very good in the future.

● (1340)

Certainly, there are challenging circumstances that the industry has faced and will face in the days ahead, but all in all, we have been very successful in the automotive industry in Canada. With the four pillar approach which I have outlined today in the House, we intend to stay at the forefront of innovation, and I would suggest, do what we have always done, which is to be the best people in the world at automobile assembly.

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, I agree with the minister that there is indeed a lot of good news coming from the automotive sector from the perspective of the people who work there. The hon. deputy leader of our party was at the General Motors facility a week and a half ago. We talked about the potential that lies there and the importance for the government to understand, unlike the feebate disaster which actually cost jobs and cost investment, that we get these things right and continue to understand, to underpin and recognize it is an important part of our economy, certainly an important part of the manufacturing sector.

The minister will know that the public safety committee and in fact the industry committee on two occasions unanimously came to a conclusion with respect to urgently needed legislation that is being requested in papers by industry and stakeholders across the country with respect to copyright legislation, to modernize it, to bring us out of the digital age.

We heard the minister suggest that the copyright legislation would be forthcoming. I can honestly say this side of the House cannot wait for it. When can we expect the minister to table the necessary legislation to help manufacturing in this country?

Hon. Jim Prentice: Mr. Speaker, the hon. member strayed from the subject of the automotive sector into copyright. I can assure him that the copyright bill will be introduced in the House as and when I and my colleague, the Minister of Canadian Heritage, are satisfied that we have a legislative proposal which strikes the appropriate balance.

I welcome my friend's continuing interest and sincere concern in this subject matter. However, on autos I am pleased to respond to questions.

The Acting Speaker (Mr. Andrew Scheer): I am not sure copyright legislation is relevant to the budget, but I will allow a question from the hon. member for Perth—Wellington.

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Speaker, I have been attempting to speak for quite some time. My

question is not necessarily on what the minister talked about. The automotive policy he has introduced today is fantastic.

I would like to respond to one of the Bloc members who said there was nothing in the budget for agriculture. Betty Jean Crews, vice-president of the Ontario Federation of Agriculture said:

Farmers traditionally turn to budgets for word of what governments have in store for them financially. This time the federal government introduced a change to that tradition.

Finance Minister...presented Ottawa's 2008 budget on Tuesday, February 26th, but the day before Agriculture and Agri-Food Minister...had his own announcement for agriculture. It was welcome news for the country's struggling livestock producers as it increased the maximum available as an emergency advance payment to 400 thousand dollars from 25 thousand per producers.

The OFA and our partners at the Canadian Federation of Agriculture right across the country are really pleased with the Minister of Agriculture and the budget, the way it has been presented.

● (1345)

Hon. Jim Prentice: Mr. Speaker, certainly the responses to our automotive strategy have been quite exceptional. I defer to my colleague on the subject matter that he has raised which is important as well.

Across industry the automotive strategy has been well received. I note that the vice-president of corporate and environmental affairs for General Motors said, "Directionally it's very, very positive.... they've really shown they're listening and they're moving forward".

There were similar comments from Chrysler as well. There were similar comments recently from a number of experts in the automotive industry. I would point out in particular that Mr. Dennis DesRosiers, of DesRosiers Automotive Consultants in Thornhill over the last several days has pointed out that the emphasis on innovation could open up what he refers to as "a floodgate of activity in the automotive sector" and that this is something very good for the Canadian industry.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Mr. Speaker, we have heard some comments on the budget from Jay Myers, president of Canadian Manufacturers & Exporters, that the finance minister does not seem to understand the seriousness of the problems facing industry in Canada today. He said, "Disadvantage Canada, that's what this budget represents for Canada's manufacturing and exporting sectors". This just does not cut it. We have had condemnation from the manufacturers and exporters.

My question is very simple. Why did the government not listen to the industries that have seen the hemorrhaging of jobs over the past two years?

Hon. Jim Prentice: Mr. Speaker, Mr. Myers of course can speak for himself, and I think that he will in the days ahead. I can assure the hon. member that I actually had breakfast with him this morning and he continues to be very supportive of the steps that the government has taken to reduce corporate income tax and to ensure that we have a fiscal framework.

Many of the things that the Minister of Finance has alluded to in "Advantage Canada" are producing a sound fiscal framework for industry in this country and will continue to move forward.

*The Budget**[Translation]*

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, I am pleased to speak today, not only in my capacity as Minister of Canadian Heritage, Status of Women and Official Languages, but also as the member for Louis-Saint-Laurent, concerning the tabling of the Conservative government's third balanced budget.

First, I would like to talk about the approach our government has taken in this budget, as in the previous one, with respect to the sound management of public funds.

In budget 2007, the Government of Canada made a commitment to adopt a new way of managing taxpayer money. We believe that it is very important to ensure that every dollar spent produces concrete and positive results for all Canadians. One of the requirements of this new approach is to examine all the programs and expenditures based on a four-year cycle. Having done that, our government is better able to honour the priorities of Canadians with effective programs focused on the essential role of government.

The government has been looking towards the future. It took preventive and decisive measures in fall 2007 and winter 2008 to reduce the debt, by lowering taxes and offering targeted support to the industries in need. We prepare the budget using conservative financial principles. That is why budget 2008 is balanced, targeted and cautious. The budget is an extension of what we have already achieved. We are lowering taxes for individuals and corporations, we are paying down the debt and reducing the size of our national mortgage, we are offering targeted support to the industries in need, we are investing in the future by creating programs that focus on science, education and the environment, and that make it possible to help the least fortunate.

When we took power, we had to take care of some important priorities and had to sort out some files that had been neglected for years by the Liberals: the fiscal imbalance, health care, the environment, the state of our armed forces and security, and our families. We are getting the job done while still properly managing our finances.

[English]

Canadians believe that their government must contribute effectively to our society's cultural vitality. This is one of the main goals of my department and other organizations in my portfolio and it is a priority for our government.

In fact, since our arrival in government in 2006, we have allocated \$50 million in additional funding over two years to the Canada Council for the Arts, with \$20 million for 2006-07 and \$30 million for the current fiscal year. To mark the 50th anniversary of the Canada Council for the Arts, the government announced that the \$30 million in funding will now be provided on a recurrent basis.

In addition, communities across Canada are benefiting from an additional investment of \$30 million a year as a result of budget 2007. In September I had the pleasure of announcing details of this investment. Among other things, it includes the creation of a new program, building communities through arts and heritage, which supports festivals and activities celebrating local heritage and arts.

Support is also being increased for arts festivals under the arts presentation Canada program. The diversity of our cultural and artistic expressions is a treasure to which all Canadians must have access. We believe that national cultural institutions can be located outside the national capital region. We believe that all sectors of our society, including the private sector, must take an active role in the effort to disseminate culture. This is why we have signed an agreement with public and private sector support to establish the Canadian Museum of Human Rights in Winnipeg.

Our government has also launched a call for proposals to build the portrait gallery of Canada in one of nine Canadian cities.

Together with the Aga Khan, we have created the new Global Centre for Pluralism in Ottawa.

- (1350)

[Translation]

In terms of official languages, funding for linguistic duality and for official language minority communities will be increased by \$30 million over two years.

Some of my colleagues closely followed Bernard Lord's consultations held across Canada. Mr. Lord gathered Canadians' opinions about important issues pertaining to linguistic duality and support for official language minority communities.

Our government is currently working on phase two of the action plan for official languages and the results of these consultations will be very useful.

The Government of Canada also has an important role in the celebrations marking the 400th anniversary of the founding of Quebec City. The Department of Canadian Heritage is coordinating the government's participation in these celebrations. The founding of Quebec City was a historic event for all of Canada. It marks not only the founding of Quebec City but also of Canada.

Our government has demonstrated leadership in all these important matters and we are proposing new ways of meeting citizens' needs.

The budget that my colleague, the Minister of Finance, brought down last Tuesday provides funding for major projects that will give Canadians many opportunities to enjoy rewarding experiences.

On February 6, the two-year countdown began to the opening of the 2010 Olympic and Paralympic Winter Games in Vancouver and Whistler. The Government of Canada is working very hard to make these games Canada's games.

Budget 2008 supports this effort by providing \$25 million for the celebrations around the Olympic and Paralympic torch relays. From November 2009 to February 2010, activities will take place in 350 communities across the country in connection with these relays. I am confident that the relay will inspire pride in Canadians all along the route.

This year, we will also cheer on our summer athletes who will proudly represent Canada at the Olympic and Paralympic Games in Beijing. Budget 2008 supports excellence in summer sports by providing funding of \$24 million over the next two years and \$24 million per year subsequently to support the road to excellence program for summer athletes.

• (1355)

[English]

In the national museums sector we are reinvesting \$9 million over two years to strengthen our four national cultural institutions: the National Gallery of Canada; the Canadian Museum of Civilization Corporation; the Canada Science and Technology Museum Corporation; and the Canadian Museum of Nature.

This support is a clear example of the results of our government's responsible approach to managing public funds. It is an investment in institutions wholly under the responsibility of the federal government. It is also an investment that will allow us to better protect and disseminate our cultural heritage.

Finally, as a follow-up to budget 2007 which increased the budget for the women's program by \$20 million, our government will work to develop an action plan over the coming year to advance women's equality in Canada.

We want to improve the economic and social conditions of women while helping them to participate more fully in our country's democratic life. Citizen participation is highly enriching, as I can testify by my own experience, and my sincere wish is that all Canadian women have access to similar experiences in their lives.

[Translation]

And we must not forget what our government has done for the people of Quebec City. We have invested \$70 million in Beauport Bay, the Louise Basin, the Brown Basin and Pointe-à-Carcy.

In 2008, the National Battlefields Commission will celebrate its 100th anniversary. The Plains of Abraham will be at the centre of the celebrations in Quebec City, and our government has granted more than \$500,000 to mark this anniversary.

With this budget and with its achievements, our government has proven that it remains committed to Canada's culture, arts and heritage.

Our government continues to feel strongly about promoting our cultural diversity, our linguistic duality and all Canadians' participation in our society.

We plan to give everyone the chance to take part in two major celebrations: the 400th anniversary of Quebec City and the Olympic and Paralympic Games in Vancouver. These are perfect opportunities to promote our unique history and the excellence of our artists and athletes.

[English]

The Acting Speaker (Mr. Andrew Scheer): We will have the five minute question and comment period after question period. As it is two o'clock, we will move on to statements by members.

Statements by Members

STATEMENTS BY MEMBERS

[Translation]

OLIVIER VILLENEUVE

Mr. Luc Harvey (Louis-Hébert, CPC): Mr. Speaker, today I will not be talking about the Bloc Québécois. I have something much more important to talk about. I would like to tell you about an 11-year-old boy.

This little boy's life has been a struggle since day one. Before his first birthday, he went through three heart operations and spent over 80% of his life in the hospital. To illustrate just how big a challenge he faced, he had to relearn how to eat at 18 months because he had been force-fed continuously since birth.

Now, he goes to school and dance class, and he participates in lots of other activities. Little Olivier Villeneuve has shown the kind of courage that so many should find inspiring. There were many times when he could have given up, but that was not his way: he did not know how to give up or back down; he only knew how to forge ahead.

I thank Olivier for setting an excellent example for everyone who knows you. I salute and respect him.

* * *

• (1400)

[English]

MARION CHRISTIE

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I rise today to honour the memory of Marion Christie, who passed away at her home on February 23. On April 5, she would have turned 102.

Known as Bedford's matriarch, Marion Christie was a wonderful volunteer who made a lasting impact on her community through a lifetime of dedicated involvement.

She spent decades educating and informing residents of Bedford as a teacher and journalist and still she found time to participate in numerous volunteer endeavours and public speaking engagements.

Marion Christie was active in all aspects of life in Bedford, especially Bedford United Church, where she was an honorary elder and honorary historian and held a UCW life membership.

Scott Manor House was one of her major interests. Until late 2007, she presided at the reading room. A meticulous historian, she kept detailed scrapbooks which chronicled events in Bedford.

She was a remarkable woman who was loved and respected by all.

* * *

[Translation]

SECOND INTERNATIONAL DECADE FOR THE ERADICATION OF COLONIALISM

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, as I am sure you are aware, 2001 to 2011 has been declared the Second International Decade for the Eradication of Colonialism. It deserves to be recognized.

Statements by Members

More than 60 years after the UN declared the right to self-determination and even after the withdrawal of European countries from Africa, colonialism still exists. This colonialism is more insidious than at the time of the conquest, but the fact remains that certain populations and nations are still trying to assimilate others through their actions and their values.

When I see the Conservatives' attitude towards the French language today and their actions that go against the values of Quebecers, and above all, when I see members from Quebec acting against the best interest of their nation, I wish that colonialism really was a thing of the past.

* * *

[English]

MULTIPLE SCLEROSIS SOCIETY OF CANADA

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, multiple sclerosis is a chronic inflammatory disease that affects the central nervous system. Most commonly it begins in young adulthood. In Canada, it is the most common neurological disease affecting young adults.

When one learns that Canadians have one of the highest rates of MS in the world and that every day three more Canadians are diagnosed with MS, it would be easy to get discouraged. The dedicated volunteers and activists of the Hamilton chapter of the Multiple Sclerosis Society of Canada refuse to be discouraged. Their work in my community is inspiring.

This past weekend, I had the opportunity to attend a benefit for the Hamilton chapter. With over 500 people in attendance, it raised over \$30,000 to fight MS in our community. I would like to recognize the work of John Fuca, whose family put on this eighth annual edition of this event in our community.

My sincerest thanks go out to Mr. Fuca and his family, along with the honorary MC, Angelo Mosca, former CFL player and member of the Canadian Football Hall of Fame, and all the other volunteers who made Sunday's event such an amazing success.

As a community, we can beat MS.

* * *

AFGHAN WOMEN PARLIAMENTARIANS

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, in the lead-up to International Women's Day, our government is hosting the first ever delegation of Afghan women parliamentarians to Canada. Their role in shaping Afghanistan's future is a symbol of progress and of hope.

These parliamentarians have been invited to Canada to take part in a capacity building program that will address issues including women's rights and the roles women parliamentarians can play on issues relating to nation building, conflict resolution and peace building.

While we as Canadians are doing our part to transform Afghan civil society, it is the people of Afghanistan who will be the agents for real and long term change.

The active participation of Afghan women in Afghanistan's political future shows that their society is changing and that the foundations are being laid for the future.

We are deeply honoured by their visit and we look forward to continued cooperation and exchanges with them and their colleagues.

I hope all members of Parliament will join me in welcoming them to Parliament Hill today.

* * *

HEALTH

Mr. John Maloney (Welland, Lib.): Mr. Speaker, many Canadians, especially children, are being exposed to dangerous toxic products. Lead-based paint on children's toys as well as plastic bottles containing bisphenol A are threatening the health and safety of all citizens.

Bisphenol A is a chemical used in the creation of plastic food containers and baby bottles and has been known to cause many adverse health effects. The leaching of this chemical has led to trace amounts being found in human tissues and also has been associated with causing developmental problems, including cancer, obesity and early puberty, to name a few.

Some Canadian companies have already removed merchandise containing this toxic chemical from their shelves. Others are still looking to the federal government to provide guidance on the safety of such products.

I call on the government to take immediate action to ban harmful products of this nature from retailers' shelves and to prohibit such products from entering our country. The health and safety of Canadians must be protected without qualification.

* * *

● (1405)

ALBERTA ELECTION

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, we in the Alberta federal caucus are proud of many things in our great province, not the least of which is the fact that we are rat free.

For weeks the opposition parties and the national media were convinced that the winds of change were blowing across the prairies, but once again a warm chinook wind has taken over Alberta.

Albertans have decided on a change that works for them. With 52% of the vote, Premier Stelmach will be bringing 28 new Conservative MLAs with him to the legislature, with 72 of 83 seats.

Albertans have chosen a leader who brings a mature, professional approach to federal-provincial relations and a Conservative government that leads on issues such as the environment, health care, infrastructure and accountability.

Albertans have once again proven that in Alberta good guys still do finish first.

I extend congratulations to Premier Stelmach and his government.

Statements by Members

[Translation]

THE CONSERVATIVE GOVERNMENT

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, we are accustomed to not receiving satisfactory answers to our questions. However, last Thursday, the Conservative ministers reached new heights of ineptitude. Their answers had absolutely nothing to do with the important questions we asked.

The Minister of Human Resources and Social Development was particularly adept at this when he spoke about the Mental Health Commission in response to a question on social housing. When asked another question about the fiscal imbalance, he spoke about the student loans program. His colleague, the Minister of Justice, spoke about the tackling violent crime act in response to a question about a young girl who was able to leave Canada and go to Morocco unaccompanied and without permission.

This type of attitude demonstrates the disregard of the Conservatives for citizens who find themselves in difficult situations. The lack of interest in the questions of opposition members and the failure to take them seriously shows a lack of respect for the House and is an insult to the Quebec nation, which democratically chose to be represented by a majority of Bloc Québécois MPs.

* * *

THE BUDGET

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, in the budget tabled on February 26, 2008, our government put words into action, by creating the Canada Employment Insurance Financing Board, an independent crown corporation that will ensure that EI premiums are dedicated exclusively to the EI program.

This is a pivotal event when it comes to the protection of premiums paid by workers as well as employers.

By opposing the Conservatives' third budget, the Bloc Québécois is once again letting down Quebec workers. The Bloc members should know that doing an about-face and voting against workers is not a value admired by Quebecers.

If we think about it, this party, which should never have even become one, is aptly named. Since it is unable to get anything done, all the Bloc Québécois can do is block things, while our government is determined to build a stronger Quebec and a better Canada.

Fortunately for Quebec workers, the Conservatives are in their path delivering the goods.

* * *

[English]

POST-SECONDARY EDUCATION

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, today members of the Liberal caucus met with representatives from polytechnic schools across Canada. We have seven polytechnics with 37 campuses and approximately 94,000 full time students, and many more part time.

These are unique institutions that offer students a wide range of educational options, including undergrad degrees, diplomas, appren-

ticeships, postgrad certificates and complete student mobility. They partner with industry to address skills shortages and quickly develop solutions.

These schools help keep Canada at the forefront of the business and technology sectors by using a combination of theoretical learning and applied research targeted at the most dynamic areas of our economy.

We need more research funding in Canada, including the applied research offered by the polytechnics.

Canada is the only OECD country that does not have a national credential framework, which would help students transfer between universities, polytechnics and colleges and increase international recognition.

I want to acknowledge and thank our polytechnics for the excellent programs they provide to students across Canada. I urge all members to visit these campuses and experience the great work they do.

* * *

LIBERAL PARTY OF CANADA

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): Mr. Speaker, last night, during the broadcast of election results coming out of Alberta, a CBC analyst commented that it might be time for the provincial Liberals to consider a name change due to the damage the federal Liberals have done to the Liberal brand.

With last evening's vote here in the House of Commons on the Liberal budget amendment, the Liberal Party dealt itself another devastating body blow. Unbelievably, only seven Liberals even bothered to show up to vote for their own amendment.

I know the Liberals have been abandoning ship at an alarming rate and, sitting here on the Liberal side, I am used to being surrounded by a sea of empty seats, but last night's vote only highlights the Liberals' growing internal confusion and disinterest, resulting from their complete void of coherent leadership.

As it seeks to address its growing internal crisis, perhaps the Liberal Party should consider stepping aside for the time being and relinquishing its official opposition status to an opposition party that, while terribly misguided, at least knows what it stands for.

* * *

● (1410)

SALMON HABITAT RESTORATION PROGRAM

Ms. Penny Priddy (Surrey North, NDP): Mr. Speaker, I frequently hear the statement that the environment and youth are the keys to our future.

The city of Surrey has a program that exemplifies those two things. It is called SHaRP, salmon habitat restoration program. This program has provided career oriented training and employment to hundreds of high school and post-secondary students.

Statements by Members

Over its 12 years of operation, SHaRP has been recognized as an innovation that promotes sustainability and assists students to fund their education. The goal is to rehabilitate creeks and streams to improve salmon habitat.

The students are involved with ravine cleanup, stream bank planting, spawning bed enhancements and minor erosion control works. Over 100 tonnes of debris have been removed from local creeks, 5,300 plants have been established in riparian zones and there has been the stabilization of over 100 metres of creek banks.

Funding comes largely from the city with contributions from the provincial and federal governments, until this year when the federal government decided to withdraw its funding. Youth and the environment are keys to our future.

* * *

CHINA

Hon. Raymond Chan (Richmond, Lib.): Mr. Speaker, China has suffered from severe cold weather to an extent not seen in hundreds of years. In Bijie, located in the province of Guizhou, the already very difficult lives of the people living in this mountainous region have been further complicated by the extreme weather conditions.

Twenty of our fellow parliamentarians, along with the Ice Breaking Care Society, have joined together to form the Bijie ice storm relief committee aimed at raising funds to provide emergency relief to these victims.

Mr. Speaker, we thank you for hosting a reception this afternoon to honour the efforts of the committee. I would also like to thank my fellow parliamentarians and members of the committee, some of whom are here today: George Chen, Zhao Zai Chen, Danny Ng, Michael Ching, Kim Kum Chow, Henry Hung, members of the Heart2Heart Club, Ting Ting Wang, Clara Chow, Yuen Li and the many volunteers and artists.

I thank them all for sharing their good fortune with our brothers and sisters in Bijie.

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[*Translation*]

MINISTER OF PUBLIC WORKS AND GOVERNMENT SERVICES

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, in the past two years, Michael Fortier, the unelected minister and senator from Rougemont, was given four opportunities to run for office during byelections in Quebec, but he refused all four. That says a lot about how important he thinks democracy is. This situation cannot go on without being considered an abuse of power. Michael Fortier has no status as a representative of Vaudreuil-Soulanges.

Let us take a moment to discuss his remarks during a broadcast of *Tout le monde en parle*, about how the other place is expensive, and about how its members do not work very hard. He seems to have learned quickly, because in the past two years, he participated in only five of 34 votes, he delivered two speeches, and he did not even participate in the vote on Bill C-2, which his government deemed a confidence matter.

What did he fail to understand about his own government's expectations, and what does he fail to understand about the concept of democracy? He should face the voters as soon as possible.

* * *

[*English*]

HEALTH ASSESSMENT

Hon. Carolyn Bennett (St. Paul's, Lib.): Mr. Speaker, getting a regular health assessment plays an important role in disease prevention. Today the Canadian Medical Association is hosting a complementary cardiovascular and diabetes risk assessment booth.

[*Translation*]

I know that many parliamentarians are so busy that they sometimes neglect their health. It is important for people to pay attention to their health needs, and to take preventive measures and undergo regular physical exams to stay healthy.

[*English*]

The booth is open today in room 602 in Centre Block. The examination is very quick and results are available in 10 minutes. I encourage all my colleagues to take the time to get an assessment. An ounce of prevention is, indeed, worth a pound of cure.

[*Translation*]

I wish all members good health.

* * *

[*English*]

ETHICS

Mr. Tom Lukiwski (Regina—Lumsden—Lake Centre, CPC): Mr. Speaker, the depths to which the Liberals will stoop to create false smears and fake scandals has fallen to an all-time low.

The Liberals' outlandish attack on the Prime Minister's reputation is baseless and irresponsible. The allegations made by the Liberal leader, his deputy leader and others in the party are false and misleading and the Prime Minister deserves a full and immediate apology.

Chuck Cadman himself said on national television that no offer was ever made. Why will the Liberals not believe his word?

If the Liberals were so concerned about this matter, why did they wait for more than one year to bring this matter forward? Are they trying to divert attention from their weak leadership crisis and their weak leader? Are they trying to divert attention from how they are supporting us on the budget?

The Liberal leader should be ashamed of himself. Will he take the opportunity he has right now and apologize to the Prime Minister immediately?

ORAL QUESTIONS

•(1415)

[English]

ETHICS

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, we all heard the tape. The first question: Could the Prime Minister tell Canadians whether it really is his voice on the tape, yes or no?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I have been clear and everybody in this matter has been clear.

We wanted Chuck Cadman to rejoin our party. The party was prepared to assist Chuck Cadman in securing his nomination and to ensure, financially and otherwise, that he was able to fight a successful election campaign. Those are the facts and Chuck Cadman is on the public record saying that those are the facts.

The Leader of the Opposition says that they are otherwise. We will see how that theory stands up when he has to deal with it in a court of law.

[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, since I did not get an answer, perhaps I will try again in French.

Can the Prime Minister tell me if it is indeed his voice that we hear on the tape? Yes or no?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, to my knowledge, I have responded to the facts.

The Leader of the Opposition has made criminal allegations against me. He will have to defend himself and defend these allegations before a court of law.

[English]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Do you know, Mr. Speaker, why the Prime Minister does not answer this simple question? It is because he is afraid of the truth and the consequences. However, he has no choice. He must answer. Canadians have the right to know.

Once again, is it his voice on the tape, yes or no?

Right Hon. Stephen Harper (Prime Minister, CPC): Of course, Mr. Speaker, nobody suggested it is not my voice.

What the Leader of the Opposition has suggested is that he has some evidence of me offering Chuck Cadman a bribe. He has absolutely no such evidence. He will need to defend that in a court of law. I hope he does a better job than he did last night when he brought in a motion to bring down the government and then promptly told his MPs not to vote on it.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, we know that Tom Flanagan and Doug Finley made an offer to Chuck Cadman on May 19. No one disputes this.

However, we also know, based on statements from the Cadman family, that two Conservative operatives approached Chuck Cadman on May 17 with a financial offer of some kind.

Oral Questions

The Prime Minister acknowledges both the operatives and the financial considerations on the tape we have just been discussing.

Will the Prime Minister tell us who these two other operatives were? What does he have to hide?

•(1420)

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: Order, please. I know the parliamentary secretary evokes a lot of sympathy when he stands in the House but that is not an excuse for all this noise. We need to be able to hear the parliamentary secretary when he gives his answer so we will have some order, please.

Mr. James Moore: Mr. Speaker, there was only one offer made to Chuck Cadman and that was for Chuck to rejoin the Conservative caucus. It was made by Doug Finley and Tom Flanagan on May 19.

We asked Chuck Cadman to rejoin the Conservative caucus and to be a candidate for us in the subsequent campaign. That was the only offer put forward on May 19.

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the answer is not clear. During his interview with Mr. Zytaruk, the Prime Minister clearly said that two legitimate Conservative representatives made an offer to Chuck Cadman and that the offer had a financial aspect to it.

What was that financial aspect?

Who were those two emissaries who made a financial offer to Chuck Cadman, not on the 19th, but on the 17th?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, there was only one offer: that of May 19, 2005. It was an offer inviting Chuck Cadman to join the Conservative Party and to run as one of our candidates in the 2005 election, if the Liberal government fell. That was the only offer on the table. Chuck Cadman said so himself in his own words during a television program on May 19.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in an interview he gave to Chuck Cadman's biographer in September 2005, the Prime Minister acknowledged that he had been informed of the negotiations between representatives of his party and Mr. Cadman. He also said quite clearly, "Of the offer to Chuck, it was only to replace financial considerations he might lose due to an election".

Can the Prime Minister confirm what he said in the interview: that he was informed of the discussions between his party and Chuck Cadman and that financial considerations had been linked to those discussions?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I have answered that question. The answer is clear. We wanted Mr. Cadman to join the Conservative caucus. The party was prepared to help him with his nomination as a Conservative candidate and provide him with support for his election campaign, as Canadian law allows.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, is the Prime Minister telling us that they actually asked Mr. Cadman to run for the Conservatives when a candidate had already been chosen, Mr. Matta, who was never told that the party had another candidate and that he would not be representing the Conservative Party, even though he had already been nominated; that Mr. Cadman, who unfortunately was terminally ill, was asked to run for election—he had had problems getting to Ottawa—and that he would have campaigned in his condition? Is that what the Prime Minister is saying?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, the answers are clear. We wanted Mr. Cadman to join the Conservative caucus. Clearly, the party was prepared to provide Mr. Cadman with support for his nomination and his re-election campaign. A party commonly helps its candidates and sitting members.

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, in the recently released recording, the Prime Minister himself said that he was aware of a meeting during which Conservative Party representatives offered financial incentives to Chuck Cadman on the eve of the confidence vote in May 2005. His wife, his daughter and his son-in-law have all confirmed that the meeting took place and that an offer involving money was made.

Since the Prime Minister is so proud of being transparent, will he tell us the names of the Conservative Party representatives who met with Mr. Cadman on May 17, 2005?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, the only meeting at which an offer was made took place on May 19, 2005, and the people in attendance were Doug Finley and Tom Flanagan. They both made an offer to Chuck Cadman, and that offer was discussed here in the House yesterday. They wanted Chuck Cadman to run as a Conservative Party candidate in the 2005 campaign, and they offered to help him with the campaign. That was the only offer, and that was the only meeting.

• (1425)

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the government only ever wants to talk about the meeting that took place on Thursday, May 19, the day of the vote. However, in his book, Tom Flanagan suggested that other meetings took place before that Thursday to woo Chuck Cadman. The Prime Minister seems to know more than he is willing to admit, because he acknowledged that he was aware of financial offers made to Mr. Cadman.

Is the Prime Minister telling us that he allowed his party's representatives to try to buy Mr. Cadman's vote, which is strictly prohibited under the Criminal Code?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific

Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, no such offer was made. As I just said, the only offer was made on May 19, 2005. I know that other meetings with Mr. Cadman took place. I know that the Liberal member for Vancouver South and the former Liberal prime minister also met with Mr. Cadman. Several people tried to get him on side, but the only meeting between our party and Mr. Cadman, the meeting with Doug Finley and Tom Flanagan, took place on May 19, 2005. The only thing Messrs. Finley and Flanagan talked about with him was our invitation to have him join the Conservative Party and our caucus.

* * *

TRADE

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Prime Minister's Office meddled in American politics by leaking information to the Associated Press. Yesterday, I asked the Prime Minister to fire the source of this interference, identified by Associated Press as Ian Brodie, the Prime Minister's chief of staff. The Prime Minister did not deny it and gave an insincere apology. Will the Prime Minister fire his chief of staff? Will he confirm that he was the source of this interference?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the Canadian embassy in Washington has already apologized for the leaked information. The government is trying to identify who was responsible for leaking the information to the public; it was not my chief of staff.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the NAFTA question is a very important question for working families and so is the question of leaks from the Prime Minister's Office that are apparently producing interference in the American election campaign and the Democratic primaries.

If the Prime Minister is telling us today that it was not his chief of staff, who was it? Is it possible that the Prime Minister himself knew about this information and authorized the leaks in order to discredit the campaign of Mr. Obama for president of the United States?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the leak of this particular document is—

Hon. Ralph Goodale: Sue him.

Hon. Lawrence Cannon: The only guy we're suing is you for your big mouth.

The Speaker: Order, order. The right hon. Prime Minister has the floor to answer a question. We will have some order. I cannot hear a word. The right hon. Prime Minister.

Right Hon. Stephen Harper: Mr. Speaker, the leak of this particular document is not only regrettable as the Canadian embassy in the United States has already said. It is completely unacceptable to this government and we will do our best to find out who did it.

What we are talking about here is a report that somebody in the consulate in Chicago wrote to their superior. There are literally thousands of documents like this written around the world by Canadian officials. It is ridiculous to think that the Prime Minister's Office even ever sees these documents.

ETHICS

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, in the interview the Prime Minister did with Mr. Zytaruk, which is there for any of us to hear, the interview begins:

Mr. Zytaruk: I mean, there was an insurance policy for a million dollars. Do you know anything about that?

The Prime Minister: I don't know the details. I know that there were discussions, uh, this is not for publication?

These are the Prime Minister's own words: "I don't know the details. I know that there were discussions. This is not for publication?"

If he did not know anything, why did he not say, "Insurance policy, what insurance policy? I don't know anything about an insurance policy". Why?

• (1430)

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I would cite for my colleague an interview between Chuck Cadman and Mike Duffy.

Some hon. members: Oh, oh!

Mr. James Moore: There are children in the room. Members are scaring the children. Just calm down and listen to the answer.

Chuck Cadman was asked about this very issue by CTV:

Mr. Duffy: —Conservatives were prepared to offer you an unopposed nomination if you would vote with them, and also help with campaign funding and so on. Was that offer actually made?

Mr. Cadman: Well there was some talk about that. As far as the unopposed nomination, you know, the discussions did come up—

Mr. Duffy: So they were making an offer to you, and in the end you refused?

Mr. Cadman: Yes. Well, that was the only offer on anything that I had from anybody.

Hon. Ken Dryden (York Centre, Lib.): Mr. Speaker, the interview went on:

The Prime Minister: Um, I don't know the details. I can tell you that I had told the individuals, I mean, they wanted to do it. But I told them they were wasting their time. I said Chuck had made up his mind,—

These are the Prime Minister's own words. He did not say, "No. Don't do it". He did not say, "No. That would be wrong". He did not stop them. His own words are there for any of us to hear.

If the Prime Minister knew nothing about this, why did he not just say "No"?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, as we have said a number of times, the only offer made to Chuck Cadman was made by Doug Finley and Tom Flanagan on May 19, 2005, when they talked to Chuck Cadman about rejoining the Conservative caucus and running as a Conservative candidate.

If the member for York Centre really believes in what he is saying, if he really believes his accusations against the Conservative Party, then maybe he will show up tonight and vote on the confidence motion on the budget tonight. He did not show up last night. Only seven Liberals showed up. The only Liberal MPs that—

Oral Questions

The Speaker: Order. I remind hon. members that it is not proper to refer to the absence of members from the House.

The hon. member for Beauséjour.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, nobody believes the parliamentary secretary who claims Conservative operatives were only offering Mr. Cadman a nomination.

First, David Matta was already nominated as the official Conservative candidate in that riding. Second, Mr. Cadman's health was such that he was never going to run in that election.

Why will the government not just admit what the Prime Minister said on tape, that there were financial issues and that "the offer to Chuck" was to replace financial considerations?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, if my colleague from Beauséjour wants to present himself as an expert on Conservative nominations, he may want to read the Conservative constitution which says clearly that any member of Parliament who is a Conservative caucus member is automatically a party nominee.

Chuck Cadman would have automatically been a nominee. The member's comments about Dave Matta are not at all true.

Everything that we have said here has been consistent and straightforward. Chuck Cadman spoke the truth when he said no other offer was made. What my friend from Beauséjour is saying is not at all true.

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the pattern is often to pay them off to vacate their seats as well.

[*Translation*]

The parliamentary secretary refuses to acknowledge the facts. Even if it is true that the Conservatives only offered a nomination to Mr. Cadman in his own riding, and a \$70,000 loan, it is nevertheless a criminal offence. In addition the Conservatives already had a candidate in Surrey North.

Why is the parliamentary secretary not telling the truth?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, why is my colleague from Beauséjour ignoring the truth and the facts?

The facts are clear. It is simple and it is public knowledge. Mr. Cadman himself said on two occasions, on CTV national television and on Global, that there was only one offer, that of May 19, 2005. Tom Flanagan and Doug Finley both said that all they wanted from Mr. Cadman was that he vote against the Liberals, return to the Conservative Party caucus and stand as a Conservative candidate in the next election. That was the only offer.

*Oral Questions***OLDER WORKERS**

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, another plant in Montreal just announced the layoff of nearly 600 employees, whose average age is 52. The minister must understand that we have to help older workers who cannot retrain.

How can the minister justify the fact that he could not find \$60 million in his \$240 billion budget to create a support program for older workers?

• (1435)

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, obviously, it is a difficult time when people lose their job. The good news is that the most successful job seekers over the last year have been people over the age of 55. More than half of all the new jobs created were filled by older workers.

I know the Bloc likes to hearken back to the 1980s and solutions that date back to the era of eight track tapes, but this government is convinced that older workers still have a lot to give. That is why we extended the targeted initiative for older workers and continue to invest more heavily in training than any government ever has done.

[Translation]

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, some one hundred forestry workers from Saguenay—Lac-Saint-Jean visited the office of the Minister of Labour to remind him that he is not a member from Alberta, but rather from Quebec. Accordingly, he should listen to them and help them, instead of telling them to go work somewhere else.

Will the minister admit that creating an income support program for older workers would at least allow them to remain in their regions and live decently?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I hate to be the one who has to inform a Bloc member about the amazing record of job creation in Quebec, but it is true.

Today Quebec enjoys the lowest unemployment rate it has enjoyed in a generation. This is very exciting. There are many new opportunities. It means that we have to seize those opportunities, provide training programs so we can help workers of all ages make the transition from sectors that are struggling into ones that are prospering. This is exactly what we are doing.

* * *

[Translation]

FISHERIES

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, a WTO draft text threatens several programs for supporting the fishing industry. If adopted as is, this text would limit the government's involvement in construction, the renovation of port infrastructures, fuel deductions, and even employment support, particularly employment insurance. Yesterday, the Minister of Fisheries and Oceans tried to reassure us by reminding everyone that this was just a draft text.

How can we trust this government when the draft currently on the table is completely in line with its laissez-faire ideology?

[English]

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, the hon. member knows much better than that. It is fearmongering at its finest.

The draft text is not only a draft text put forth by the chair, but it has bracketed all these suggestions. It will never see the light of day. If they ever make it to any kind of serious round of negotiations, Canada will be firmly against them.

[Translation]

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Mr. Speaker, independent observers told the committee that Canada has a long way to go to reverse the strong trend that has developed at the negotiation table. The reality is that Canada has embraced a logic that would eliminate subsidies for fishermen.

How does the government plan on defending the Quebec fishing industry, when in the past two years it has not been able to stand up to Australia, New Zealand and the United States, who have succeeded in getting a text that reflects their interests?

[English]

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, again, one of the ways the hon. member can help is give me the tools to do the job.

[Translation]

I told him to pass Bill C-32 so that I can help fishermen.

* * *

[English]

ETHICS

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, it is time for the Conservatives to stop the cover-ups and come forward with the truth. In his book, *Harper's Team: Behind the Scenes in the Conservative Rise to Power*, Tom Flanagan states that one last attempt was made on May 19 by Doug Finley to persuade Chuck Cadman. However, May 17 is the date Dona Cadman states that her husband was offered a million dollar bribe.

Will the Prime Minister admit that a meeting also took place on May 17, or is he saying that Dona Cadman is lying? Who were the political operatives at the meeting and what offers were made to a dying man for his vote?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I say this again for my colleague from Brampton. There was only the one meeting with Doug Finley and Tom Flanagan. That happened on the 19th. We have been clear and straightforward about that. It is the central truth of this.

Oral Questions

I wish the Liberals would embrace the truth and recognize it as it sits before them plain as day.

• (1440)

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, a new revelation, in Mr. Flanagan's book we also learned that the natural resources minister helped to organize the May 19 meeting. No small feat since Chuck Cadman had just bounced two other Conservatives from his office for offering him a bribe.

When will the Minister of Natural Resources tell the House about his role in the multiple offers that were made by the Conservatives to a dying man for his vote?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, the allegations about the natural resources minister are just flat not true. However, I wonder, though, if the Liberals really believe in these allegations, if they really believe in their own rhetoric, last night why did only seven Liberal MPs show up to vote on their own budget amendment? If they really believe in their own rhetoric, if they really believe that the government should not continue to govern, then maybe we will see tonight whether they show up to vote and represent their constituents.

Mr. Don Bell (North Vancouver, Lib.): Mr. Speaker, Dona Cadman stands by her contention that Conservatives deeply offended her late husband when they tried to get his vote with a million dollar insurance policy. When asked if she considered it to be a bribe, she said, "yes".

Her husband did not tell her the names of the two individuals involved, but it is clear from the tape that the Prime Minister knew who they were. On tape, he told them to "make the case" to Mr. Cadman.

When will the Prime Minister tell Canadians just who these two individuals are?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, the only case made to Chuck Cadman was our case. We recognized that he was a fantastic member of Parliament. We wanted him to present himself as a Conservative candidate in a subsequent campaign. We asked him to rejoin the Conservative caucus. We said that we would give him assistance in a subsequent election campaign, that we were proud to have him as a colleague and that we wanted him to continue as a Conservative.

That is the only offer. That was the only thing put on the table. Doug Finley has said so. Tom Flanagan has said so. In fact, Chuck Cadman himself said so. My colleague does not have to take my word, but I hope he believes the word of Chuck Cadman.

Mr. Don Bell (North Vancouver, Lib.): Mr. Speaker, the Prime Minister's own words, caught on tape, show that he knew a lot more about this affair than his initial statement, which claimed that he had "looked into the matter and could find no confirmation".

Just how seriously did the Prime Minister look into this two and a half years ago? Could he produce any documentation to prove that the matter was ever investigated?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, what matters here are the facts, again. The facts are that there was the one meeting and there was the one offer to Chuck Cadman for him to present himself as a Conservative candidate.

I wish the Liberals would embrace the facts, instead of running away from it like Superman from kryptonite, and recognize that there are some basic facts here. The facts are we made the one offer to Chuck Cadman to present himself as a Conservative, to rejoin our caucus and get re-elected as a Conservative. He was a good man, and we believe his word when he said that no other offer was made. Tom Flanagan and Doug Finley have corroborated that as well. This is the simple case of the fact of the matter.

* * *

ABORIGINAL AFFAIRS

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, most Canadians would be surprised to learn that if a relationship between a couple breaks down on a first nations reserve, one of the partners could quite literally end up on the street. Off reserve, provincial and territorial laws provide for at least some assurance of a right to equal distribution of assets. On reserve, even if people have been in a relationship for a long time, they could end up with nothing. In particular, this situation hits women and children very hard. This is unacceptable, and aboriginal and human rights groups agree.

My question is for the Minister of Indian Affairs. What is the government doing to correct this?

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, our government agrees this is inexcusable. That is why I tabled Bill C-47 this morning. I was joined by the Minister of Canadian Heritage later to publicly announce action to remedy this problem.

Our bill is called the family homes on reserves and matrimonial interests or rights act. This is about correcting a clear inequality. It is about protecting the vulnerable, most notably aboriginal women who do not have the protection every other Canadian woman can get and expects. This is something for which aboriginal women's groups have been asking. This is something the government is prepared to do. We are going to act. It is time to give rights to Canadian women now.

* * *

[*Translation*]

THE ECONOMY

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, by lowering its key interest rate, the Bank of Canada has just sent a message that it believes the economic slowdown in the United States is going to have a strong negative impact on the Canadian economy. Unfortunately, the Conservative budget does nothing for the manufacturing sector, nothing for forestry workers and nothing for the middle class.

Oral Questions

How is it that the Governor of the Bank of Canada understands the scope of the coming economic slowdown, but our Minister of Finance understands nothing?

• (1445)

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the hon. member says that the budget did nothing for manufacturing. He could not be more wrong. There are \$1 billion in accelerated capital cost allowances. Add that to the \$1.3 billion last year. There are \$2.3 billion for manufacturers alone with respect to acquiring machinery and equipment and writing it off over a five year period, exactly what was recommended unanimously by the industry committee of the House. This is a stimulus to manufacturers and it is working. We are seeing more acquisition of—

The Speaker: The hon. member for Outremont.

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, try telling that to the 130,000 people who lost their jobs last year in manufacturing.

Statistics released just yesterday show that economic output contracted 0.7% in December, a major decrease in fourth quarter exports caused by a drastic 2.7% decrease in international shipment of goods. Manufacturing activity was down 3.2%, the lowest level since 2001. Motor vehicle production shrank 27%, the largest drop since 1990. All these declines amount to one thing: ordinary Canadians losing their jobs.

Is the Minister of Finance sure that ignoring it is going to make it go away?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, Canada's economic fundamentals are very strong because we prepared for an economic slowdown in the United States. We acted early. We acted last year. We were prepared. The stimulus already entering the Canadian economy is \$21 billion, which is 1.4% of GDP. We see the example already in the month of February, with record auto sales in Canada.

* * *

TRADE

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, Canadians would not want American politicians interfering in our elections, so why is the Prime Minister's Office actively interfering in the American primaries? The Prime Minister's chief of staff, Ian Brodie, deliberately leaked false statements about Barack Obama. Trust has been breached. Damage has been done. Americans are enraged.

Things do not leak from the PMO by accident. Will the Prime Minister stand today, admit to deliberate meddling and ask his chief of staff to resign?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, it is far from the truth. The Canadian embassy in Washington yesterday issued a statement about this.

What I can tell the House and the hon. member is that the American people will decide on their future and this government will not interfere in U.S. politics.

[Translation]

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, that is the kind of flagrant and pervasive political interference that the Prime Minister used to complain about. His chief of staff deliberately leaked the details of a confidential diplomatic conversation because he thought it would harm the Democrats and help his Republican friends.

Who will confide in any Canadian diplomat now, knowing that the information will be passed on according to the partisan political agenda of the Prime Minister and his chief of staff?

Is the American Republican cause so important that the Prime Minister is willing to sacrifice Canada's reputation internationally?

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, our embassies around the world submit reports to Ottawa on the political situation in various countries and we regret the fact that one of those reports found its way into the press. That was made clear. The Canadian ambassador to the United States issued a press release yesterday on this matter. The fact is, we have no intention of interfering in the campaign for the American presidency.

* * *

TAXATION

Hon. Diane Marleau (Sudbury, Lib.): Mr. Speaker, Ontario has adopted a balanced strategy by cutting corporate taxes and investing in skills and innovation. Ontarians do not agree with the Conservatives' strategy of simply cutting taxes. The distress of families with members that are losing their jobs in the manufacturing and forestry sectors is very real. Why is the Minister of Finance continuing to play politics with the lives of Ontarians?

• (1450)

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the problem in Ontario, as I am sure the member opposite knows, is it has the highest taxes on new business investments in Canada. Its own competitive board, appointed by the Government of Ontario, says that not only are they the highest business taxes in Canada, but they are the highest in North America and the highest among the major economies.

Those taxes are bad. If members do not believe me, listen to this: "A low corporate tax rate is not a right-wing policy or a left-wing policy. It is a sound policy". Who said that? It was the Leader of the Opposition.

*Oral Questions***ARTS AND CULTURE**

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, the heritage minister has obviously never heard the slogan “the show must go on”. Yesterday she was a no show at the Genie Awards honouring Canada's best in film. Prominent members of Canada's film industry voiced their disgust that the government—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Churchill has the floor to ask her question and I cannot hear a word.

The member for Churchill.

Ms. Tina Keeper: Mr. Speaker, prominent members of Canada's film industry voiced their disgust that the government, under the influence of an ultra right-wing activist, has arbitrarily decided to censor Canadian cinema.

Why did the minister refuse to show up at the Genies? Was she too busy meeting with Charles McVety, a man who boasts he has the direct influence—

The Speaker: The hon. Minister of Canadian Heritage.

[*Translation*]

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, I am pleased to remind the member that this is International Women's Week. The member should know that, in Canada, women fought for years before finally obtaining the right to vote. Yesterday, I exercised the right to vote for which my grandmothers fought; this was not the case on the other side of the House.

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, to justify its desire for censorship, the government—

Some hon. members: Oh, oh!

The Speaker: Order, please.

We are now on to another question. The hon. member for Ahuntsic.

Mrs. Maria Mourani: Mr. Speaker, to justify its desire for censorship, the Conservative government is trotting out its old line that people who disagree with the government are promoting child pornography, defamatory libel and hate propaganda. These are already prohibited by the Criminal Code. The Minister of Canadian Heritage, Status of Women and Official Languages is even accusing the industry of creating a tempest in a teapot.

Will the Minister of Finance agree to amend Bill C-10 to ensure that these new provisions do not lead to any censorship?

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, there is no issue of censorship here. Our government firmly believes that freedom of expression is one of our great Canadian values.

That said, four months later, the Bloc members are changing their minds. The leader of the Bloc gave us 24 hours to change our minds, but now they have four months. They supported this bill, but now, four months later, they are asking questions.

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, once again, the Minister of Canadian Heritage, Status of Women and Official Languages, who is powerless, is not answering questions. The

solution is for the government to introduce an amendment to Bill C-10 as soon as possible to remove the reference to “public policy”, which opens the door to censorship.

Will the government promise to do so immediately?

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, once again, the Bloc members' mantra is that anyone who is not a sovereigntist is not a true Quebecker. Anyone who does not share the opinion of the Bloc leader gets nothing but insults in this House.

Our objective here is to be in line with the provinces.

Hon. Denis Coderre: That has nothing to do with this.

Hon. Josée Verner: Mr. Speaker, I would like very much to answer the Bloc member, but the member for Bourassa will not stop yapping.

* * *

● (1455)

[*English*]

FOREIGN AFFAIRS

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, Mohamed Kohail was sentenced to death yesterday by a Saudi Arabian court and overturning such a decision on appeal would no doubt prove difficult.

[*Translation*]

The Minister of Public Safety discarded our foreign policy, which for decades enabled us to lobby governments and seek clemency for Canadian citizens sentenced to death, regardless of which legal system they were facing.

[*English*]

Will the Minister of Public Safety be using his ideologically driven judicial sniff test to determine if Canada will seek clemency for Mr. Kohail, or will he abandon the policy that impedes Canada's very ability to intervene to save the lives of condemned Canadians?

[*Translation*]

Hon. Maxime Bernier (Minister of Foreign Affairs, CPC): Mr. Speaker, we are very disappointed at the verdict of the trial court in this case. The Prime Minister, the Secretary of State and I have spoken about this situation with Saudi Arabian authorities, and we are prepared to help the family launch an appeal. We absolutely want the verdict overturned.

* * *

[*English*]

POST-SECONDARY EDUCATION

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, Statistics Canada issued its census report today on Canada's workforce and confirmed what the Minister of Human Resources has been saying for some time: our country is facing labour shortages and shortages of skilled workers in many sectors and in every province.

Oral Questions

That is why I was delighted that in budget 2008 our Conservative government is taking significant steps to invest in Canada's future by investing in our post-secondary education system.

Can the Minister of Human Resources tell this House what our government is doing to help Canada's students excel, a key to ensuring that our country and our economy remains strong?

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I want to thank the member for Edmonton—Leduc for that important question.

On April 1, support for post-secondary education will go up 40% in a single year, an \$800 million increase.

We have announced in the budget important new reforms that will help an additional 105,000 low and middle income Canadians get a college or university education, \$250 every school month for low income students for every year of college or university undergraduate degree, \$100 for middle income families.

This will give hundreds of thousands of people the choice, the chance to finally aspire to a higher education. We support them.

* * *

HEALTH

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, last week's budget contains absolutely no money to deal with the critical shortage of health care workers that is actually leading to longer wait times.

There are plenty of corporate tax cuts leading up to 2011, but nothing to get us to the 78,000 nurses needed by that year, nothing to replace the 4,000 doctors leaving over the next two years, and nothing to deal with the urgent need for lab techs and other health care workers.

The Conservatives promised to reduce wait times, so why have they broken their promise? Why have they brought in a budget that is so poorly planned, has such poor planning that it lengthens wait times?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, in fact, the hon. member is incorrect. There was an increase of 6% on health care transfers found in the budget as part of the health accord that goes to the provinces and territories to assist them in hiring and replacing health human resource professionals, as well as our hospitals and so forth.

We are there with our colleagues in the provinces and territories to assist in the delivery of health care. We are living up to our promises.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, rhetoric without a plan does not reduce wait times or give comfort to Canadians who want to access quality health care.

The Canadian Medical Association is on the Hill today showcasing that 5,200 more family physicians are needed because five million Canadians do not have a family doctor.

Does he not realize that Canadians do not trust the Conservatives' wait time promise because there are no doctors to implement it? Can

the minister tell ordinary Canadians what they can actually do to get a family doctor? Five million Canadians are waiting for his answer.

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, in fact, there is a fund that is part of the health accord, \$175 million in total, where we are working with the provinces and territories on that very issue.

Perhaps the hon. member and her caucus could explain why they are voting against a budget that will in fact help the mentally ill, help the homeless, help our cities, help the middle class, lower income and all Canadians. Why are they voting against the budget?

* * *

• (1500)

[Translation]

MONT TREMBLANT AIRPORT

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, the Mont Tremblant International Airport, the third largest airport in Quebec, is a very important economic development tool for the Upper Laurentians. However, daily customs charges that were \$374 in 2006 are now \$1,100. The airport cannot sustain that financial burden. Not to mention that it is the only airport in Canada forced to pay the customs charges for its transborder passengers.

Why is the minister doing nothing to address this situation? Why does he want to punish this region already hard hit by the forestry crisis?

[English]

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, there have been a number of improvements and investments in that particular region that will not only assist trade but actually increase and enhance the whole area of security.

We believe that every province has a right to full access and full opportunity. That is why the policies we are delivering under this program are working and they are going to continue to work.

* * *

[Translation]

CRUISE SHIP INDUSTRY

Mr. Denis Lebel (Roberval—Lac-Saint-Jean, CPC): Mr. Speaker, the development of the Quebec market as a stop for international cruises could turn into an interesting prospect for several of Quebec's coastal regions.

Given the current situation in the international cruise ship industry, it is likely that the industry will grow significantly in Quebec, and that means that we should develop new stops along the St. Lawrence.

Can the Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec tell us what he plans to do to encourage the development of the cruise ship industry in Quebec?

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, it goes without saying that if the Bloc Québécois were asked to answer the question, the answer would be “nothing” because they are becalmed by their own powerlessness.

For our part, we want to support the implementation of infrastructure in several municipalities along the St. Lawrence so that they can accommodate cruise ships.

That is why the Economic Development Agency and Transport Canada recently allocated \$24 million over two years to support setting up that kind of infrastructure.

* * *

[English]

PRESENCE IN GALLERY

The Speaker: I would like to draw to the attention of hon. members on the occasion of International Women's Week, the presence in the gallery of a group of women parliamentarians from the National Assembly of Afghanistan: Ms. Safia Sediqi, Ms. Safura Elkhani, Ms. Fawzia Koofi, Ms. Nasima Neyazi, Ms. Fariba Kakar, and Ms. Sabrina Saqib.

Some hon. members: Hear, hear!

* * *

• (1505)

[Translation]

POINTS OF ORDER

ORAL QUESTIONS

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, I can understand that, during verbal jousting, certain words might be said by both sides and I have no problem with that.

However, in his carelessness and incompetence, a minister said that the hon. member for Bourassa should stop yapping. As far as I know, as a member myself, it is unacceptable to treat one another in this manner.

I would therefore ask that you check the blues and take the appropriate action.

The Speaker: I know the minister said something concerning the hon. member for Bourassa, but I did not hear what was said, because of the noise. However, I will look at this in Hansard. If there is a problem, I will get back to the House.

The hon. Leader of the Government in the House of Commons is also rising on a point of order.

[English]

Hon. Peter Van Loan: Mr. Speaker, I know the Speaker will be interested since it is of course the Speaker's job to ensure order in the House and I do not believe the Speaker had recognized the member

for Bourassa at that time, so it was appropriate that he not be speaking at the time.

BILL C-46—CANADIAN WHEAT BOARD ACT

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am rising to respond to the point of order raised yesterday by the member for Malpeque on Bill C-46. I gave a brief response yesterday, and wish to add to that at this point in time.

In the point of order that was raised, the member stated that section 47.1 of the Canadian Wheat Board Act stood in the way of the government's introducing Bill C-46.

I thought you should know, Mr. Speaker, and I know it is not for you to decide questions of law, but you should be aware in considering this matter that a review of Bill C-46 demonstrates that it does not itself change the Canadian Wheat Board's marketing mandate. The bill would only clarify the authority of the Governor General to amend or repeal a regulation made under subsection 47 (1). Therefore, the bill is not the kind of situation contemplated by section 47.1. As such, there is no validity in the point raised. Whether or not you wish to delve into that area of questions of law, I leave that for you to determine.

However, Mr. Speaker, I would also add that even if you did find that it was a valid issue, we did indicate that there had been clear consultations. I can advise you further that the then minister of agriculture had met at the time with members of the Canadian Wheat Board on a number of occasions, and he did discuss the government's intentions with regard to the production and marketing of barley. Of course there was a broadly taken referendum that was the subject of many questions in this House, so I know that you, Mr. Speaker, will be well aware of that. The result of that consultation was announced in this House. That result demonstrated clearly not only that a consultation occurred, but that the barley farmers did indeed want that freedom of choice in marketing, which is of course the objective of Bill C-46.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I will admit that we are almost in the area of debate here, but a lot of what the member opposite just said relative to this point of order is in fact out of line and not specific on what section 47.1 of the Canadian Wheat Board Act states.

As I said in this House yesterday, the act is very specific. There must be consultations. The Canadian Wheat Board itself said that as of last Saturday there were no consultations. The act is also specific that there must be a plebiscite held, the question to be determined by the minister.

As the member opposite stated, and he did have it right, there were clear consultations last year, but the former minister of agriculture said that the consultations would not be binding. That is what the former minister of agriculture said: it would not be binding. The act requires that there be a clear plebiscite on the specific legislative point that is being brought forward. The government is clearly in error here, relative to section 47.1, and is in fact doing an illegal act by bringing this legislation forward because the conditions of section 47.1 of the act itself have not been met.

The Budget

• (1510)

The Speaker: I thank the government House leader for his submissions on this matter, and the hon. member for Malpeque for his further submissions.

We are going to hear now from the Minister of Agriculture and Agri-Food on the same point.

Hon. Gerry Ritz (Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, the hon. member for Malpeque is throwing a little obscure argument into this. If we actually look at Bill C-46, the whole issue is changing section 47, not working within the framework. When we are seeking to change section 47, there is no need for discussion. There is no need for consultation. There is no need for a farmer plebiscite or for a further vote.

The hon. member for Malpeque is being disingenuous, which is as polite as I can be, in saying that we need to have all of this in because section 47 calls for it. We are not changing anything within section 47. We are changing the whole darn thing, so it is a different argument altogether.

The Speaker: Again, I thank the minister. I am quite prepared to review the situation and get back to the House. I thank the hon. members for their further submissions on this matter.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government.

The Speaker: Resuming debate. The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup on a point of order.

[Translation]

Mr. Paul Crête: Mr. Speaker, at the end of the debate, before oral question period, the Minister of Canadian Heritage, Status of Women and Official Languages was delivering a speech. She still had some five or 10 minutes remaining, and everyone hoped that she would finish her speech, or that she would at least be present, if she had nothing further to say, in order to respond to questions from the opposition and other members of this House.

At the very least, the Minister of Canadian Heritage should be present in the House to finish her presentation and, above all, to answer questions from the members of this House.

The Speaker: It is unfortunate, but this happens from time to time. It is possible that, after oral question period or when debate is interrupted, the member who was speaking may have left and not return.

However, it seems that the problem is solved—this time, at least.

The hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup for questions and comments.

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am very happy that the minister suddenly appeared after our remarks.

Many requests from the cultural sector went unanswered in this budget.

I would like the minister to tell me why, for example, there is no \$50 million increase for the Canada Feature Film Fund, and no \$300 million increase in the Canada Council for the Arts budget. What about creating the \$10 million documentary feature film fund that the cultural community is calling for? What about reinstating full funding for the museums assistance program, or reinstating the Canada Council for the Arts grants for the theatre touring and special initiatives program? What about getting rid of the GST on books?

Clearly there are a number of subjects and sectors that the Minister of Canadian Heritage, Status of Women and Official Languages should have convinced the Minister of Finance to include in his budget. Not one of these measures is in the budget.

Could the Minister of Canadian Heritage tell us what she will do to resolve this issue? Because it is rather scary that the cultural sector, which is very important in Quebec and Canada, does not get more attention from this government.

Hon. Josée Verner (Minister of Canadian Heritage, Status of Women and Official Languages, CPC): Mr. Speaker, nothing could be further from the truth. In our 2006 and 2007 budgets, our government put forth a series of measures to provide assistance to the arts and culture community. For instance, there was the \$50 million for the Canada Council for the Arts. In fact, it was \$20 million for fiscal year 2006 and 2007 and \$30 million for this year. The \$30 million has been made a recurring amount to recognize the 50th anniversary of the Canada Council for the Arts.

Another example is the \$30 million allocated for festivals across the country. In particular, I was very pleased recently to announce substantial financial support for some major festivals which have earned great honour for us in the international community: the Luminato festival, the Montreal International Jazz Festival, the Just for Laughs Festival, the Quebec City Summer Festival and the Quebec Winter Carnival. When the sponsorship program was cancelled under the former Liberal government, the carnival was left with no means of assuring its financial survival. I was pleased to announce \$160,000 for the Quebec Winter Carnival. Those are only some of the measures that were taken to support the cultural sector.

An hon. member: Oh, oh!

Hon. Josée Verner: I will be pleased to answer questions from the member, provided that I am not constantly interrupted. I am available to provide answers.

The Budget

• (1515)

[English]

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Speaker, I would like to ask the hon. member why she cut funding for advocacy in the women's program. How can she justify this? Why are she and her government continually putting regressive ideology that is not in the best interests of women in Canada before what is in their best interests? Why is this happening with the government in the 21st century?

[Translation]

Hon. Josée Verner: Mr. Speaker, I imagine if the member had taken the time to read it, she would have found that in the 2008 budget our government has made a commitment to bring forward a national action plan to promote gender equality, something the Liberal government did not do. It was our government that did it.

Our government has also increased the program budget for Status of Women Canada by nearly 76%. It should be recognized that between 2002 and 2006, until we took office, the program budget for Status of Women Canada hovered around \$10.2 million, with occasional, barely noticeable increases or decreases.

It took a Conservative government to increase the budget to enable women to obtain concrete results and to fund more projects to help women obtain their fair share in our society, reach equality with men and achieve the objectives they have set in their lives. That is the intention of our government.

[English]

Mrs. Susan Kadis (Thornhill, Lib.): Mr. Speaker, I am very pleased to have this opportunity to rise in the House today to provide my comments on the Conservative 2008 budget.

I will be sharing my time with my colleague from Oak Ridges—Markham.

As a result of the two year spending spree by the biggest-spending finance minister in Canadian history, there is not much to this budget. After only two years of Conservative government, the cupboard is bare.

The government has spent nearly every penny and has left no room for error. If the U.S. economy continues to worsen or if Canada faces a crisis such as SARS, we will most likely be plunged into a deficit again.

Simply put, for the next two years Canada has no contingency if things go wrong. The question becomes, is this due to gross fiscal mismanagement or is this by design? Either way, the situation Canada now faces is very worrisome and bears serious, close monitoring.

Recent media stories featured Conservative strategist Tom Flanagan crowing about: “tightening the screws on the federal government...boxing in the ability of the federal government to come up with new program ideas...The federal government is now more constrained”.

The writing on the wall is clear. The Conservatives have depleted the federal reserves and totally washed their hands of national standards only to let each province do its own thing, thereby

abrogating their responsibilities and the integral role the federal government must play.

Instead of using the tools of the federal government to help Ontario transition through these economic challenges, the Minister of Finance goes on brutal, repeated, unprecedented attacks. The government is failing to fulfill its national role to help our struggling economy.

Our manufacturing sector is suffering. Sales have plummeted to a three year low. Canada's trade surplus has shrunk to its lowest levels in nearly a decade.

Despite taking marginal measures in budget 2008, the government has gone on the attack and the finance minister is outrageously trashing the investment prospects of the Ontario economy by suggesting in a public speech that Ontario is “the last place” in Canada to start a business. Ontario deserves better, much better. How does the minister expect investors to respond to his egregious comments?

Canadians would expect that with the livelihoods of families at stake the minister would be responsible and do his part to help them. I hope other provinces are taking note, because they could be next.

These are the words of a Thornhill constituent who happens to be a Conservative and who wrote to me about what the minister said in his recent attacks:

Your accusations regarding high taxes without recognizing other bigger problems associated with the slump in manufacturing is foolhardy. Time to be a deeper thinker regarding the manufacturing woes of the province of Ontario”.

The government's indifference to Ontario's economic troubles goes all the way to the Prime Minister, an economist by training, whose idea of economic advice is reportedly to tell a group of soon to be unemployed auto workers in Kitchener to move to Alberta. That is no solution. It is divisive. It is offensive. It is certainly not leadership.

It is typical, however, of the Conservatives' hands off, head in the sand, “laissez-faire, I don't care” approach to the economy and other issues such as the environment. Our federal government should be doing more to stand up for Ontario in the manufacturing sector, not undermining it.

The Conservative government lacks the vision, the leadership and the will to address our critical infrastructure deficit, including investments in public transit that our cities desperately need and are crying out for.

The government does not understand how critical these investments in public transit infrastructure are to growing cities such as my riding of Thornhill to combat the congestion we face. Every day, Thornhill residents are faced with the challenges of traffic congestion sucking the life out of our economy and quality of life, polluting the very air we breathe and impacting on the quality of life of every citizen.

The Budget

The Yonge Street subway extension is the one critical investment for my community of Thornhill and York region that will make a real, significant and lasting impact, yet it was not in budget 2008. That is sadly lacking and very ill-conceived.

I wholeheartedly agree with Markham Mayor Frank Scarpitti's assessment of the budget's investment in public transit, when he states:

They fell dramatically short on rapid transit funding. The federal government needs to wake up to the idea that we need to have an infusion [immediately] of capital dollars. We cannot continue to take baby steps as it relates to infrastructure and rapid transit.

I have been a vocal and persistent advocate for investment in public transit and infrastructure since I was a city councillor, and a constant advocate for greater federal investments in public transit since I was elected as the member of Parliament for Thornhill. In the previous government, I strongly supported the establishment of the gas tax transfer for cities and making it definite, making it a permanent federal program. If the government needed to steal ideas, at least it stole a good one.

Canada is the only G-8 country without a national transit strategy. While the government has said that it is working on a strategy, it has stated that we will absolutely have no new funds.

• (1520)

It is important to understand that the first recommendation of the Federation of Canadian Municipalities for a national transit strategy was new funding. It will be interesting to see how the government implements a national transit strategy, when it finally gets around to it, that does not burden municipalities with a new layer of bureaucracy and no financial support or partnership.

When it comes to public transit, the Conservative government has more excuses than credibility. The government has utterly failed to work with Ontario on its MoveOntario 2020 program. It failed to make the partnerships that are integral to the success of Ontario and other provinces in Canada. Of the little funding it has committed to transit in the last two years, it has taken its sweet time in delivering it. The money for the Spadina subway extension is still sitting in a bank account accruing costs and creating unnecessary and irresponsible delays. This extension is needed. The Minister of Finance, the Conservatives, any federal government should understand that unequivocally.

The Conservatives take no responsibility for their failure to deliver. Instead, they play the politics of division and the blame game, which is very counterproductive and very disappointing, certainly to the residents in Ontario and to all Canadians.

The Minister of Transport is blaming the Ontario premier for having partisan interests. The Minister of Finance is unjustifiably calling the mayor of Toronto an isolationist. More name calling.

Mayor Hazel McCallion practically had to wrestle the Conservative government to the ground to get her cheque for the Mississauga rapid transit system after a year of bickering and foot dragging by the Conservative government. So much for a new era of cooperation that the Conservatives were supposed to be shepherding in. This is another Conservative broken promise.

My colleague from Ajax—Pickering has pointed out the government's hypocrisy on transit. During the city of Ottawa's municipal elections in 2006, the then president of the Treasury Board took the unprecedented step of withholding \$200 million in federal funding for a light rail project in Ottawa even though the approvals of seven departments of the federal government, including his own, had already been secured. That is unfathomable.

The Liberal caucus has proposed a bold and innovative plan to address public transit, our roads, bridges and water treatment plants which are important across the country. We have a balanced approach that would use the surplus to pay off our national debt, as we had before, and our infrastructure deficit. That is the difference between the Conservative government and our previous government and our future.

In this year's budget, we would have spent \$3 billion on debt repayment to bring our debt to GDP ratio down to 25% by 2012 and invested the remaining \$7.2 billion in infrastructure and transit, like the province of Ontario's MoveOntario 2020 program and the recently announced B.C. transit plan.

While debt repayment remains a key Liberal priority, we cannot and must not allow our communities to suffer, leaving a legacy of crumbling bridges, congested roads and a record-breaking number of smog days. There is too much at stake for Canadians.

U.S. senator, Joe Biden, likes to say that his father taught him, "Show me your budget and I'll show you what you value". Let us look at the budget and see how much the government values protecting the health and safety of Canadians.

Of the 2008 initiatives for protecting the health and safety of Canadians, the government spends a total of \$209 million, which accounts for about 3.5% of all spending. That certainly does not sound to me or to Canadians like a government that values protecting the health and safety of Canadians at all.

There is at least some money being put aside toward Canada's safety system for food, consumer products and health products. I hear my constituents' concerns about pesticides in their food and the safety of toy imports and baby products. Canadians need to know that the products they use meet the highest of standards. I am concerned that the \$113 million set aside over two years will not be enough for such important safety concerns. These concerns deserve and warrant the appropriate allocation of funding and attention. I will definitely be following the progress of this initiative very closely.

Thousands of products coming across our borders every day could potentially harm Canadians. My constituents consistently tell me that they want to be certain that the regulations on food, consumer products and health products meet the highest standards.

The Budget

I frequently hear concerns about the secretiveness of the Security and Prosperity Partnership and the fear that it may result in lower safety standards. I have raised the issue directly with the Minister of Health to ensure that we not only maintain our high standards in this area but we take even greater steps forward to improve and strengthen them.

Canadians and Thornhill residents will not forget that the government campaigned on health care as being one of its top priorities and yet, in this budget, protecting the health and safety of Canadians only accounts for 3.5% of 2008 initiative spending. However, the government's Minister of Health is the same Ontario minister who gutted our health care system, closed hospitals and fired nurses. Unfortunately, it may not be surprising that the government has spent so little of budget 2008 initiatives on protecting the health and safety of Canadians.

• (1525)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I listened carefully to the comments made by the member for Thornhill and was struck by the fact that she did not once mention the environment. Climate change is the biggest crisis of the 21st century and yet the government's fiscal plan, as presented in last week's budget, does nothing to take meaningful steps to address this problem.

I suppose a few people in the Conservative government would not be surprised by that since the Conservatives are still denying the science of climate change, but as a member of the Liberal Party and the official opposition I would have hoped that the member for Thornhill would have at least recognized the importance of the issue.

On Friday, I had the great privilege of being invited into the classrooms of Miss Johnson and Mr. Shea at Our Lady of Lourdes Elementary School in Hamilton Mountain. Some of their students had written to me earlier to urge the government to take concrete actions to fight climate change. We had a lively discussion about the environment and they told me what they were doing to fight climate change. They are in the process of undertaking the certification to become an ecoschool. They are having litterless lunches, planting trees, composting, picking up and recycling litter and turning off lights and computers when they are no longer needed.

However, they also had some really strong suggestions for what the government ought to be doing, and that is governments at all levels. Municipally, they wanted to see an anti-idling bylaw, a pesticide ban and a limit on the amount of garbage that people could put at the curb.

Provincially, they wanted to see an extension of GO Transit. They wanted the closure of coal-fired plants and standards to reduce the packaging around products.

Federally, they wanted to see initiatives that supported solar energy, wind turbines and fuel efficient cars.

This budget does not mention any of those initiatives.

A show that is currently on TV is called *Are You Smarter Than A 5th Grader?* On behalf of the students at Our Lady of Lourdes, I would like to ask the member for Thornhill whether she is smarter

than a seventh grader and, if she is, can she commit today that she will vote against this budget that lets down an entire generation of young people who recognize what the government does not, which is that climate change should be our number one priority?

• (1530)

Mrs. Susan Kadis: Mr. Speaker, I did reference the environment in my speech but I guess the hon. member did not hear that particular point.

I have been a champion of banning pesticide use for several years now. As well, these important and needed infrastructure and transit needs go directly to the environment, to the smog and to our quality of life. Again, we can only expect photo-ops from the Conservative government. It is very good at making splashy announcements but it is not very good on delivering.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, we usually expect trash-talking from seven-foot basketball players not vertically challenged finance ministers. That is a slam dunk for the hon. member.

I want to ask the hon. member about this trash-talking that is going on by the vertically challenged finance minister. Does she think that it is a useful exercise for the financial challenges that Canada faces but, in particular, what Ontario faces?

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. I am not sure of the appropriateness of referring to a member's physical appearance. I am very afraid that if the member ever starts attacking me for mine I am in real trouble. Therefore, I think you should ask the member to retract this and perhaps pick on people his own size.

The Speaker: I think the hon. member for Scarborough—Guildwood realized his error because, of course, when he referred to the Minister of Finance as vertically challenged, he is the same height as the Speaker. I may look taller when I am standing up here but not when I am beside the Minister of Finance.

I do not think it was particularly insulting. I know the hon. member for Scarborough—Guildwood will try to avoid such references in the future.

The hon. member for Thornhill has the floor.

Mrs. Susan Kadis: Mr. Speaker, I agree with my colleague. It is particularly shocking, unprecedented and totally unbecoming for a federal Minister of Finance to continue railing with these sustained and unprecedented attacks on Ontario, particularly at a time when so many people in the manufacturing sector and elsewhere are suffering.

One would think that this is a time when he should be taking measures and speaking in a way and encouraging others to help Canadians in Ontario and Canada.

It is really unfathomable and it should not be accepted. I think everyone in the House should condemn it and not give a comfort level to this type of an attack that is highly inappropriate, non-productive and actually destructive.

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Mr. Speaker, I am very pleased to have the opportunity to speak to the budget today.

The Budget

Last month marked an important milestone for me, but it was not the budget. Forty years ago, on February 24, 1968, I arrived in Canada at the age of 13. In one month, I would say “no English” and in two months I would say, “no speak any English”. Today, I am an elected representative of the largest riding in Canada. There are few countries in the world where a newcomer, who arrived without a command of either official language, could find himself commenting on the national affairs as an equal alongside parliamentarians whose roots go back much further. That is one reason why Canada is a blessed country.

I intend to use this opportunity to speak to the budget, a budget that will undoubtedly impact the lives of millions of Canadians.

It should have been a budget that would prepare the Canadian economy for the hard times forecast for the near future without losing sight of the responsibility we have as parliamentarians to help ordinary Canadians get through those hard times. We cannot ignore the demands the economic downturn is placing on the federal budget, nor can we ignore Canadians in need of help.

I would like to focus my remarks on a few issues that I feel are important as they relate to the budget.

Events ranging from the high Canadian dollar to the U.S. economic downturn to high energy prices are adversely affecting the Canadian economy. Canada, as a trading nation, has long depended on stable international markets and this economic situation should concern us all.

Many dynamic manufacturing, life sciences and high tech enterprises have operations in my riding of Oak Ridges—Markham. These enterprises employ hundreds and, in some cases, thousands of people in the area. Plus, the local economy in my riding is tied to the largest economy of the greater Toronto area in southern Ontario. Many constituents, like Canadians across the country, are not sheltered from the effects of an ailing economy.

The impact of the economic downturn on manufacturing in Canada has been especially troubling. More than 130,000 Canadian manufacturing well-paid, high-tech jobs have been lost in the last year alone. If current economic trends continue, more jobs may be lost. For this reason, it was important for the budget to invest in Canadian families.

However, it fell short in several areas. I would like to focus on immigration, trade, health care and infrastructure spending.

I will start with immigration. Of the more than 200,000 newcomers who choose Canada every year, many settle in the major urban centres in Canada that are home to key industries. Many settle in my riding. Just last month I played host to a group of about 50 new Canadian citizens eager to contribute to our society.

The budget announced several measures to modernize the immigration system and streamline the process so that we can swiftly address our labour needs. As important as it is to improve processing, we also need to assist people once they are in Canada. It is important that we tailor programs to meet their needs and help them to integrate successfully into Canadian society.

The budget does not address foreign credentials. According to the Gandalf Group survey of the top 1,000 companies' executives in

Canada, recognizing foreign credentials is one of the measures executives are looking for the government to implement. The government's decision to create a foreign credential referral service a few months ago fell short of addressing one of the major challenges facing new Canadians.

• (1535)

During the last election, the Conservatives promised to set up an agency for foreign credential assessment and recognition. Instead, they announced that Service Canada offices would do little more than refer people to provincial credential offices.

Turning to trade, we have learned from the firsthand experiences of many witnesses, who have testified at the trade committee, that Canada needs to diversify its trade relationships. It is never a good idea for business to put all its eggs in one basket. The same holds true for a country like Canada with so many vital export industries. That is why we are exploring the pros and cons of a trade agreement with South Korea in committee.

The business community has been requesting that we strengthen our representation in India and China. The Liberal Party has promised to harness business, community and research links through the creation of a south Asian foundation of Canada. Much like the Asia-Pacific foundation of Canada, its south Asian foundation counterpart would help Canada tap into the growing dynamism of the Indian subcontinent.

Such measures, designed to foster trade diversification, would help strengthen Canada's competitiveness over time. The government has chosen to concentrate on the Americas, but vision is needed for Canada to remain competitive in the “Asian century”.

Moving on to health, Canadians expect parties to work together to improve health care. This is especially true in minority government situations. It is especially true if we are to steer Canada's public health care system through tough economic times. As the vice-chair of the health committee, I am reminded weekly of health care challenges, from wait times to doctor shortages.

According to the Canadian Medical Association, almost five million Canadians do not have a physician. I have raised this issue with the health minister in committee. We have to find ways to continue to address these shortcomings, but the budget fails to do so.

The party opposite campaigned on wait times but dropped the ball in this budget. The budget sets aside funds for health and safety initiatives, but wait times are not among them.

The Budget

Finally, on infrastructure spending, my party would have budgeted \$3 billion a year as a contingency reserve to protect us from deficits or times of need, such as natural disasters. This budget left us with projected surpluses of \$2.3 billion for 2008-09 and \$1.3 billion for the next year, well below the \$3 billion contingency fund that Liberals consider the bare minimum to address economic shocks.

As the representative of some of Canada's fastest growing municipalities, such as Markham, Stouffville, Richmond Hill and King, I know firsthand how important issues relating to roads, public transit and energy supply are to ordinary Canadians. When I speak to constituents in my riding, traffic congestion often comes up in conversation.

We can remain fiscally responsible by allocating a portion of government surplus to debt reduction while also allocating money to fix Canada's infrastructure. However, this budget leaves Canada with few additional contingency funds, owing to previous spending patterns and tax cuts.

It is ironic that the government chose to attack our prudent finance plan, claiming we would drive Canada into deficit. This is to distract from its own financial mismanagement, its own program spending and tax cuts.

These are some of the shortcomings in the budget, as I see them.

• (1540)

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I would like to congratulate the member opposite on his diligence and hard work, and the successes that he has achieved in his 40 years since coming to Canada.

I am glad he is here in the House representing his constituents. He has highlighted for all of us the number of blessings that we have in this great country.

I was a little disappointed, though, to hear him use the word mismanagement when it comes to the fiscal record of this government. I would hope that he would not see the fact that we paid down \$37 billion of national debt as mismanagement. He alludes to the plan of his party to pay down \$3 billion per year. I am not a chartered accountant, but I do know that \$37 billion over three budgets is somewhat in excess of \$3 billion per year.

I would like to ask the member this question. Does he not feel that it is good financial management for this government to pay down debt? This is similar to a person who has a debt, perhaps a mortgage on his house, and who would try to reduce that debt. We are reducing the cost of the interest for future generations. For years and years that debt cost will be reduced by the fact that we have reduced our national debt by \$37 billion.

• (1545)

Mr. Lui Temelkovski: Mr. Speaker, when I mentioned mismanagement, I mentioned it in the context of the Conservative government saying that the Liberals have been big spenders and have not been able to balance budgets.

On the contrary, we had eight consecutive balanced budgets with surpluses in the past. This is the only area where I am mentioning mismanagement.

In terms of repaying the debt, I am in agreement as most Canadians would be, that it is very prudent to make sure that we repay our debt. It is also equally important to make sure that we do not repay our debt and forget about the people who need the programs. We have to make sure we have a good balance when we are dealing with the two issues together.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, last week the head of the TSX said of the income trust decision, that it has knee-capped the industry and has hurt our reputation abroad.

The Minister of Finance made a speech in Halifax last week. He said that Ontario is the last place to invest in Canada. This morning's *Globe and Mail* says:

Outlook darkens ahead of bank-rate decision...Canada's gross domestic product actually contracted in December, the first time that had happened in a month since September of 2006...Canada's economy limped into 2008 at the slowest rate of growth in 4 1/2 years—

Does the hon. member consider the decisions made by the government to trash talk the Government of Ontario and the people of Ontario, the income trust decision which literally knee-capped a \$35 billion industry, and the so-called management of this economy, to be anywhere close to competent?

Mr. Lui Temelkovski: Mr. Speaker, the member for Scarborough—Guildwood mentions two good points. When the Minister of Finance for Canada stands up and trashes one of the largest provinces in the country, I do not call that responsible government.

Even if that were true, the Minister of Finance is the man who is supposed to be selling Canada, not only to Canadians but right across the world. He must find ways to make that a little bit sweeter, not put so much vinegar in his speech, especially when it comes to speaking about a province such as Ontario which has been so prosperous in the last 10 years.

There has been somewhat of a change in economic fortunes in the last couple of years. It is coincidental that we have a change in government federally, but maybe there is some truth to it. I will not put vinegar into my words and say that it was totally dependent on the new Conservative government that a downturn is happening, but we—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. Minister of Public Safety.

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, I will be sharing my time with my colleague from Simcoe North.

In the few minutes allotted to me I would like to address some of the broad stroke issues of the budget and then I will talk a little bit about what we are doing in an increased way related to my portfolio of safety and security.

I would also like to talk a little bit about what is going on in my constituency in terms of how the constituency is benefiting from the building Canada fund which gives significant dollars to infrastructure.

The Budget

There has been some debate and I heard some concern brought forward by members of the opposition about the responsible way in which this government is paying down debt. It is something we need to reflect on for a moment because if we do not deal with debt, the interest payments increase, in fact they start to compound and as interest payments increase and a government is compelled to make those payments, in fact the government loses the fiscal capacity to be able to spend its scarce taxpayer dollars on other things of importance like essential services.

That is why, when we look at the record of debt in Canada over the last 50 years, we can see under the reign of Pierre Trudeau how the really grotesque uptake of debt started to skyrocket to levels unheard of certainly in Canadian history and really unheard of in much of the democratic world post-second world war.

We cannot blame it all on Mr. Trudeau because subsequent governments followed this fanciful dream that the way to get out of debt was to keep on borrowing. Now, none of us tell our kids that and hopefully we try not to practise that in our own finances. It is rather deplorable when a government would think that the way to get out of debt would be to just keep on borrowing.

That trend continued until the early nineties when it took the International Monetary Fund to blow the whistle on Canada. That was a very embarrassing moment for us as Canadians as we realized that the International Monetary Fund and the World Bank were reflecting on Canada's ratio of debt to gross domestic product, and it was saying Canada was in a very fragile financial moment. The fiscal record of the nation was at stake.

That is what happens when debt is ignored. That philosophical approach to economic issues was advocated by, among other people, the economist John Maynard Keynes. He was a strong proponent of this spend and tax cycle and trying to put on the brakes, put on the gas, as they used to call it, and try to govern the economy that way.

He was asked by an astute observer at one point, "As debt increases, do you not hit a point where in the long run, an economy is no longer able to sustain itself?" Keynes replied that in the long run, we will all be dead. That was the economic depth of his answer.

I may be, in the shorter run, but my kids and grandkids will not be. I do not like the fact that he and others in government can shrug that off. I do not like the fact that my kids and grandkids would be paying and having to finance his dreams which probably did not come to fruition because the economic world of many countries largely abandoned that ridiculous approach that we can get out of debt by continuing to go into debt.

That is why we have a Minister of Finance and a government that believes we have to aggressively pay down debt. As we do that, we reduce those interest payments every year. We free up money to spend on essential services. We made a commitment that we are not going to take the interest savings and just spend those.

As a matter of fact, we are going to return those in the form of tax savings. That is the second part of the budget I want to talk about. Since we have formed the government, we have reduced taxes in over 60 different areas including the GST.

This combination of a commitment to reduce debt and reduce taxes sends a robust signal to the marketplace, both within Canada and abroad where people are wondering if they should be investing in their businesses here, or should they be looking to jurisdictions that are less taxed and less indebted. Those twin signals of reducing debt and reducing taxes build confidence in people who are investing whether it is a small business, medium sized business, or large business.

● (1550)

Also, as international fund managers look around the world at signals from economies where there can be some sense of longevity in terms of prosperity and opportunity, those kinds of signals will attract investment dollars, which attracts jobs, and we wind up with the combined effect of lowering people's taxes. We then have more people paying taxes because more people are working, but they are all paying at a lower rate. That is the way to keep an economy rejuvenated.

This is a very solid process that the Minister of Finance is advocating and has put before us today. I hope members of the opposition would begin to clear away some of the fog they have on this issue of paying down debt and reducing taxes and see that those two factors have a rejuvenating effect, not just on the economy but on individuals who sense that hard work, incentive and investment can pay off for them.

In the area of safety and security, under areas of my portfolio, we have made significant increases in some key areas. When we look at investment in one area, we need to send signals that we have a secure nation, and we do, and we have a nation that will work other nations to deal with criminal elements, risks of terrorism and natural disasters.

This is why we have made investments in some key areas at the border. We want to ensure traffic flowing across our borders, low risk travel and cargo, can move more rapidly. We also want to ensure that our border officers and others are equipped not just with the latest technology, but with the latest training to intercept goods, which could be contraband, dangerous or illegal, and also individuals who could be a threat to our country.

This is why the budget makes significant increases in those areas at our borders, with our integrated border teams that work with officers on the other side of the border and a \$430 million investment in technology to provide the technological means.

We have made investments related to all trucking companies. We will ask for this within five years, but it is a process that has begun. All trucking companies will forward, by electronic manifest, the contents of their cargoes. They will forward that information to the borders even before they arrive. Therefore, the threat and risk assessments are done before the trucks arrive and the low risk ones can move through more quickly. Others identified as being possibly at risk can be sent to a secondary station and have a more thorough inspection.

We have increased the former budget by \$161 million with a commitment to see 1,000 more RCMP officers on the street. We announced in this budget \$400 million to provinces, on a per capita basis, so they can hire more municipal officers.

The Budget

At the local level, we heard the announcement by the president of the Federation of Municipalities that the budget was good for cities and communities across the country because of the infrastructure fund. This is the largest ever infrastructure fund set aside for that purpose in Canadian history. A significant portion of that will go to the province of British Columbia, which I am honoured to represent, as well as the constituency of Okanagan—Coquihalla.

People like Mayor Graham Reid in Peachland, Mayor Gregory in Summerland, the newly elected mayor of the new municipality on the west side, Mayor Neis, and the mayor of Oliver have all experienced the results already of those infrastructure dollars. I have been able to work with other planners and elected people to see infrastructure increase because of dollars that flow to vital areas like water treatment, road construction, the very basic things people look for to make their constituencies strong and give them some predictability for the future.

Again, I remind members to think about the broad brush elements. We are reducing debt and taxes. I have not addressed many areas covered in the budget, but we are able to address those areas. We are able to put \$1 billion into a community development trust for communities when their traditional areas of industry are hit. We can do all those things and meet the needs of students and others because we have taken a prudent approach to the fiscal management of our nation.

•(1555)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I only wish it were a prudent approach. The hon. member neglects to mention that our debt to GDP will fall to 25% if we do absolutely nothing by the year 2014. His focus on debt, while laudable in and of itself, when the government has an excess money is not such a bad public policy initiative. However, to focus on it to the exclusion of other deficits, infrastructure being the classic one, is economic foolishness.

I would be more impressed with the hon. member's speech if his government were not in a runaway mode on spending. The government has been spending two to three times our GDP growth. It is easily the largest spending, fastest spending government in all of Canadian history. It is runaway spending that would embarrass Paris Hilton.

Simultaneously the Conservatives have been reducing revenue bases, inappropriately, we would argue. The number the finance minister put before us last week was that in this fiscal year coming up we would have roughly \$2.3 billion with which to play. That would be all very fine if the revenue projections held. However, as of this morning, the *Globe and Mail* states:

That would make [the Minister of Finance]'s pledge last week to balance the budget trickier. Like the central bank, the Finance Department was counting on growth of 1.5 per cent...

This was after the government reduced its growth protections by 25%. It is now down to zero rate of growth. It goes on to say:

The weaker result means Canada's economy was smaller at the start of 2008 than Finance officials anticipated...

Does the hon. member consider this to be solid management of the nation's growth when we face these economic challenges?

•(1600)

Hon. Stockwell Day: Mr. Speaker, my hon. friend's question while well-intended is sadly misinformed.

First, what was most notable was how he prefaced his question on the area related to debt by saying what the Liberal approach would be. He said "if we did nothing". That is the suggested Liberal approach to debt reduction. He said that if we did nothing, we would see the ratio of debt to GDP, GDP is the overall income, all the revenues that come into a nation, go down by the year 2014 and everything would be fine.

If we leave the debt unattended, but the economy continues to grow, which it will under our sound fiscal policies, we will see the revenues come in and it will look, on a ratio, that the debt has been reduced. However, by leaving it alone, the payments are staying there. As a matter of fact, the debt payments would increase. For years, the policy of the Liberals has been to leave the debt alone as much as possible. That policy will not reduce the debt payments.

In alarm, he said that we had reduced the revenue bases, which is code for we do not like reducing people's taxes. The Liberal philosophy is, "Give us all of your money. We know how to spend it much better than you do". I am delighted we have reduced some revenue bases, like income taxes, taxes to seniors, taxes to low income people and the GST.

This past weekend my wife and I were able to help my son and my daughter-in-law move. They just purchased a new house. They bought that home for close to \$400,000. We reduced the GST from 7% to 5%. This means that young couple, like thousands of couples across the country buying new houses, saved \$8,000. That is \$8,000 in their pockets. If the Liberal government were in place, the Liberals would have that money. I am much happier that my son and daughter-in-law have it rather than the Liberals.

Mr. Bruce Stanton (Simcoe North, CPC): Mr. Speaker, it is a great privilege to speak in the budget 2008 debate.

Our budget builds on the strong performance of our country and its government in recent years. It also prepares us for the realities of slower economic growth. The measures that we took in the fall economic statement ahead of the curve are helping to cushion the country's economy in a responsible and balanced way that will keep our economic fundamentals strong.

Canada has come a long way from the volatile economic times we experienced in the seventies and eighties, with high inflation and interest rates, high taxes and burgeoning public debt at both levels of government. However, lessons were learned and eventually, with a lot of pain and hard work by governments, businesses and, indeed, Canadian families and workers, we emerged to see a country on the strongest footing we have enjoyed since the 1960s.

We are a stronger trading nation, a more educated nation, a nation that is investing in research and the knowledge economy, a nation that is investing in public infrastructure and a nation that puts its provincial partners on a fairer, predictable funding base.

The Budget

Taxes are lower than they have been since the 1960s. Inflation and interest rates are low and stable. Public debt is tracking to its lowest rate against GDP in my lifetime. The Canadian dollar is strong. We know that poses some challenges, but the stronger dollar reflects our stronger position in the world, and that is something in which we should take some pride.

[*Translation*]

As a result of our careful financial stewardship, the economy is in good shape; Canadians are working hard, paying their taxes and raising their families; 400,000 new jobs have been created in the past two years and unemployment is at its lowest level in 33 years.

• (1605)

[*English*]

We are well positioned to cushion the slowing down of the global economy, a position that augers well for the future. In fact, the only sure thing we know looking forward is that once the U.S. gets back on a stronger growth curve, and it will, from time to time events will occur in the world that may impact Canada's economy negatively. We have seen them before: the weakening of Asian capital markets, 9/11, the tech bubble, SARS, BSE, and now the U.S. slowdown after what was a long and sustained growth period.

The very best way for Canada to withstand these pressures, which are for the most part outside our control, is to keep our economic fundamentals strong and competitive. That approach will attract investment and keep jobs in Canada, keeping the opportunity for Canadian families to improve their incomes and indeed improve their standard of living against any measure.

For these reasons, I have been very surprised and quite frankly concerned at the nature of political discussions in this place during the weeks leading up to the budget and even recently. We had opposition members calling for major government interventions as if to somehow backstop the U.S. slowdown, believing that Canada somehow could spend its way to preventing a recession south of the border.

It is actually quite bizarre. Those members seem to favour going back to the days of higher taxes, bigger government handouts and the kinds of interventions that played havoc with our economy before and would surely help get us in trouble again.

We cannot go back. We will not go back. Budget 2008 builds on the already proper and successful approaches we have taken in budgets 2006 and 2007 and last fall's economic statement. It also falls directly out of the most masterful and visionary economic plan this country has seen, certainly in all my years, and that is the "Advantage Canada" plan introduced in November 2006.

It gives us the advantage so that as the world changes, and it will, Canada can continue to be more prosperous and strong. It is realistic. It is practical.

It will give Canada and Canadians a competitive advantage: a tax advantage with the lowest rate on business investment in the G-7; a fiscal advantage by reducing our debt and leaving the next generation on a stronger foundation; an entrepreneurial advantage by making Canada a good place to do business, one with less red tape and paper burden; a knowledge advantage, improving skills and

awarding excellence in education and research; and finally, an infrastructure advantage, with the most robust investment in public infrastructure we have seen since the second world war.

As parliamentarians we are given the responsibility to shape public policy and public expenditures so that all Canadians have access to a better quality of life. "Advantage Canada" and its five pillars and our last three balanced budgets aim directly at achieving advantage for all Canadians.

For the benefit of those tuned in from my riding of Simcoe North and for all viewers this afternoon, I would like to take just a moment to highlight some of the key improvements in our budget 2008 that speak directly to Canadian advantage.

To help all Canadian families and seniors protect their savings and maximize their incomes, we have introduced the first major innovation in Canadian savings policy since the RRSP in 1957, and 1957 was a very good year. This is the new tax-free savings account. From age 18 on, Canadians can now put up to \$5,000 per year into a savings account and the earnings will grow in that account tax free. If the whole \$5,000 cannot be used in one year, the unused portion can carry forward for future use.

For the heart of the manufacturing economy in Simcoe North, especially in Penetanguishene, Orillia and Midland, we have extended the accelerated depreciation allowance for another three years on a declining scale so that new capital equipment can be written off more quickly to save taxes and to invest more.

We know that the future health of our manufacturers requires new investment in the kinds of machines and tools we will need to compete with the very best in the world. Our government is helping to do that. It does not hurt that those purchases can now be made with a more valuable Canadian dollar.

• (1610)

This is on top of a new \$250 million automotive innovation fund that will help our automotive sector invest in the kind of green, fuel efficient products that are certain to lead the market in this new economy and develop the kind of tooling and systems needed to keep Ontario the very best place in the world, as we know, to assemble automobiles.

To expand our knowledge advantage, we are helping 245,000 college and undergraduate students a year with a bigger and better Canada student loan program, with \$350 million by 2009-10, rising to \$430 million in 2012-13.

The Budget

For the many seniors in Simcoe North and across Canada, in addition to the tax savings we have brought in from bigger tax credits, smaller tax rates and pension splitting, budget 2008 gives those seniors who have some extra earnings the ability to declare up to \$3,500 per year of earned income before which their GIS would be affected. It used to be that anything over \$500 was clawed back from the GIS, but not any more.

On the infrastructure front, the gas tax transfers that flow to our municipalities and will reach a record level in the next fiscal year will now be permanent, dependable and predictable transfers directly from the Government of Canada to help with municipal infrastructure improvements. We had extended that gas tax funding in budget 2006 to 2014, but now it will not stop. This measure will add an additional \$4.5 million per year for the eight municipalities in Simcoe North.

For law enforcement and police services, and indeed to keep our communities safer, budget 2008 commits \$400 million for the hiring of 2,500 new police officers. The share for Ontario policing will be \$156 million to help with Ontario police forces and services.

Finally, in five cities across Canada, there is some groundbreaking work under way by the Mental Health Commission in a program that will see some \$110 million spent to develop best practices and a new model for dealing with Canadians facing homelessness that is occasioned by mental illness.

Those are some of the highlights of budget 2008 in which I know the people of Simcoe North will take an interest. It is a tremendous honour to serve the people of my riding. I am proud to serve them as part of a government that is taking strong, decisive action to bolster our economy even in the face of uncertain economic times.

[*Translation*]

I thank my colleagues for their attention, and I now invite them to ask me questions.

[*English*]

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, there is a question I would like to pose to my colleague across. The common acceptance is that the budget was a mile wide and an inch thick. One investment that was made but fell far short of a promise the Prime Minister made was the \$282 million to the veterans independence program, which is about half of what was needed to cover the promise the Prime Minister made to supply the veterans independence program to all widows of veterans from the second world war and the Korean war, to the widows of all veterans.

Does the member have some constituents who have fallen off the radar screen on this promise that was made by the Prime Minister but which was a shortcoming and just did not get delivered in the budget?

Mr. Bruce Stanton: As a matter of fact, Mr. Speaker, I had a conversation with the representative of our local Legion just days before the budget. We discussed that very same and important veterans independence program.

There is nothing more important than supporting the families of our veterans. As I see, the Speaker might have some affiliations there as well. It is very important for the Legion, which is out there

helping to support families of veterans, particularly the families of those who are no longer with us. This is an important commitment to the families of veterans. It is \$282 million, which will help with the kinds of services they need so they can remain independent in their homes. I think it is a great step forward in supporting them and honouring the work they have done for the country.

• (1615)

Mr. Myron Thompson (Wild Rose, CPC): Mr. Speaker, in my riding and in most of Alberta there is a real labour shortage. As a result of the budget, I now have people contacting me on a regular basis telling me how excited they are. They are people over the age of 65 who are now able to go and help out in so many cases, particularly in the service industries that have been looking for help. These people have been willing to work but they would not because of the clawbacks in the past. Now they are excited about being able to get out into the community and make an extra few hundred dollars a month.

Not only that, many of them now have their T4 slips and are starting to apply for their tax returns. They are amazed at the amount of taxes they are going to get back because of income splitting and so many other breaks that the budgets are providing.

I do not know if the member would agree with me, but I have a hard time understanding why anyone in the House would not support a budget that does a great deal for our seniors, who are very excited about it.

Mr. Bruce Stanton: Mr. Speaker, the hon. member is absolutely right. We hear time and time again from citizens in our ridings who are over the age of 65, who have a tremendous capacity to help and who continue to serve in our communities in the ways that they so choose. The nice thing is that because of the measures introduced in budget 2008 they now can have that little bit of extra income that will help with their expenses and they will not have to be concerned about it being clawed back out of GIS.

This is a tremendous support. As well, it supports other programs that work to help seniors to be active in their communities and to continue to be engaged. Now they can do so without having to suffer a financial penalty for it.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Northumberland—Quinte West has time for a quick question.

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, in addition to the \$358 million for Ontario for the community development trust, the \$195 million in the public transit trust that goes to Ontario, and the extra money for the 2,500 police officers, are there any other items in the budget that will benefit the members of our ridings in the province of Ontario?

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Simcoe North will have to give a very short answer because the clock has run out.

The Budget

Mr. Bruce Stanton: Mr. Speaker, the member is absolutely right. The budget measures will help all citizens of Ontario. Now all we need to do is get provincial corporate taxes down and we will be away to the races.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I will be sharing my time with the member for Acadie—Bathurst.

This budget is about making choices. This is the third budget from the Conservative government that steers Canada in the wrong direction. This budget is a continuation of an agenda that is failing hard-working Canadians, seniors and children, students, first nations and the environment. But there is one segment of society that is looking at this budget and thanking the government and it is the big banks and big polluters.

If we look closely at this budget we see a lot of re-announcements. When we watched the finance minister deliver this budget speech it was like watching reruns of a very bad serial. In an effort to fool Canadians into thinking that the Conservatives are putting more money into programs and services, the government has listed money from previous budgets, but what the government did not list was all the money it gave to big banks and big polluters in its fall economic statement. I guess the Conservatives do not want Canadians to remember that.

Let me remind Canadians what those huge giveaways were and maybe talk a little about how the Conservative government is spending Canadians' tax dollars on their friends. Over \$12 billion will be given away annually by 2011 in corporate tax cuts as announced last fall, amounting to approximately \$60 billion by 2013, only five short years from now.

For every \$1 in new spending, \$6 will go to corporate tax giveaways. No wonder the government did not list those figures. It does not want Canadians to know how much of their money is going into corporate pockets.

Another thing the government did not mention is that ordinary taxpayers are now paying the bulk of the taxes, almost three times more than corporate tax, and yet individuals are not getting their fair share of the returns. Most people understand that taxes are the price we pay to take care of one another. We want our taxes to pay for schools, hospitals, infrastructure, child care and a host of other services that help us through our daily lives.

The Conservatives, supported by the Liberals, have spent our tax dollars. They have blown the federal surplus. Now they tell us that we have to be prudent.

The headlines today are predicting a grim economic outlook. We had a surplus that could have been used to support programs that would help ordinary Canadians weather this storm. We in the NDP have been calling on the government to invest in our communities, in the services that ordinary hard-working Canadians need and depend on to help make ends meet, especially for those tough economic times to come.

The Conservative government chose not to invest in those things. The Conservatives made a choice in this budget and their choice was clear. They chose to favour big banks and polluters instead of hard-working Canadians.

In my riding of Vancouver Island North I have been calling for some assistance for the forestry industry. Earlier this year the government announced a billion dollars for struggling resource communities to help with economic development and retraining, but with the magnitude of the crisis in the forestry sector alone, a billion dollars Canada-wide and for all sectors will not go very far.

The Elk Falls sawmill in Campbell River is on the brink of closing. It is just one of the 112 mills closed in this country that has put over 30,000 people out of their jobs in resource dependent communities. The workers of that mill want to know how much of that billion dollars will come to them.

The forestry industry is at a crossroads and is looking to the government for assistance. The money in this budget for advertising a sustainable and innovative sector will not be worth much if there is no innovative and sustainable sector to advertise.

Canada is in a good position to be a world leader in forest products, and our forest resources can be an environmental and economic asset for generations to come. The government has a role to play and it must recognize it before we lose any more opportunities to another country.

There were also several glaring omissions from this budget. I looked for new money for fish habitat restoration, management and enforcement and fish stock enhancement, but there was no new money. This is another industry in B.C. that is in crisis.

There was no mention of anything to assist commercial and recreational fishermen. Wild salmon stocks are perilously low. If any species is classified under the Species at Risk Act, it can have a devastating impact on the economy of British Columbia.

● (1620)

We know that fish habitat is being negatively impacted by industrial development and global warming, but we do not know all the factors that are impacting our wild salmon when they go to sea, and it is even more important to increase research spending so that we can find out.

Local volunteer groups like the Puntledge River and Tsolum River restoration societies are working hard to rebuild salmon populations in those two rivers, but they are getting fed up with the lack of support from the government.

First nations in Vancouver Island North depend on wild salmon for their food, and for social and ceremonial purposes. The federal government has a legal obligation to first nations when it comes to fish. For them, for commercial fishermen, for sport fishermen, for environmental groups, for tourism in Vancouver Island North, sadly, the government did not choose to invest increased funding for measures that would help rebuild the west coast fishery. Are we to see our fishery go the way of the east coast fishery? I hope not.

The Budget

The Conservative government chose once again not to help Canadians across this country with an affordable housing program. Sadly, there are too many people living in substandard and unsafe housing. Some of it cannot even be called housing. In Courtenay there are over 200 people who do not have a home. They live at the local campsite or in their cars, if they have one, or maybe they are couch surfing, and yes, some of them live on the streets. I have been visiting our local service providers in Courtenay and Campbell River lately and when I ask what the number one issue for local people accessing their services is, they tell me it is poverty and homelessness.

The NDP called on the government to invest in affordable and social housing and a strategy to reduce homelessness. Instead, the government has chosen to do five pilot projects related to homelessness and mental illness. While that in and of itself is a start, it does not go nearly far enough to address the staggering crisis of homelessness in this country for people with mental illness or not.

The Conservatives' record on the environment is also dismal. Their biggest new spending was for nuclear development. I guess they have to invest in nuclear if that is their idea of clean energy and a way to cut greenhouse gas emissions. Instead of implementing a cap and trade system that would make the big polluters pay and then use that money to invest in alternative energy sources like wind and solar power, the government chose to study it. At a time when the environment is the single most important issue for everyone in Canada, the government is doing nothing.

Ordinary Canadians want their country to lead the way. They are way ahead of the government in the little things like recycling and using more environmentally friendly products, changing their habits and their lives, but for the bigger ticket items like heat pumps, solar panels or hybrid vehicles, the government needs to step up to the plate. The eco-energy program is woefully inadequate and does little to help working families change their windows or heating systems. Instead of building on the eco-auto program, the government scrapped it. Our grandchildren deserve better.

As I said earlier, a budget is about making choices. It is obvious where the Conservative heart is and it is obvious who those members favour. In all the choices that they have made in this budget, in their previous economic statement, and in budgets 2006 and 2007, they have chosen to help the people who need it the least.

At a time of enormous federal surplus, when we could have afforded to take care of the most vulnerable, the most disadvantaged, and ordinary hard-working Canadians who need a little help, seniors, students, children, struggling industries and the environment, the Conservative government has chosen to look the other way.

• (1625)

[Translation]

The Acting Speaker (Mr. Royal Galipeau): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hull—Aylmer, Government Appointments; the hon. member for Rimouski-Neigette—Témiscouata—Les Basques, Seniors; the hon. member for Hamilton East—Stoney Creek, The Manufacturing Industry.

[English]

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, the hon. member was talking about the effects of the budget with respect to initiatives relating to the environment. I would like to mention to the hon. member that the budget provides for \$240 million for carbon capture and sequestration. That would take carbon dioxide out of the air and store it underground. In fact, it happens in my constituency where this project will be taking place. One thousand tonnes of carbon dioxide will be captured from the air per day, or a million tonnes of carbon dioxide per year, and sequestered. It is establishing the technology to do that on a continuous basis for coal fired plants.

Does the member not think that is not only innovative but it goes a long, long way toward solving an environmental problem, that is the amount of CO₂ in the air? It is a novel prospect of taking that and putting it underground and doing something useful with it by enhancing oil recovery, something that is already happening in my community of Weyburn, Saskatchewan which imports the CO₂ from the United States. Would it not be wiser to take it from Canada and use that money to leverage a \$1.4 billion investment in my constituency?

I say to the member that it is a great step forward. It is a great step in terms of saving and protecting our environment and she should be very pleased about that.

• (1630)

Ms. Catherine Bell: Mr. Speaker, I am glad the member raised that issue. I thought I would not have enough time to get everything in and that was one of the things I wanted to address because what the government forgot to tell people in its budget speech was that it cut the eco-auto program, something that was actually working for individuals.

Now we see that the Conservatives put \$250 million into the ground in the member's riding in a pilot project. Sadly, that money is not going to help pay for alternative energy development. It is not going to help ordinary families deal with the skyrocketing prices of fuel to heat their homes. It will not do anything to help the woefully inadequate eco-energy program that ordinary Canadians are having a hard time accessing as they try to do the right thing and make sure that their homes are environmentally sustainable.

I have to disagree with my hon. colleague that this pilot project to dump it into the ground is a good use of \$250 million. It is an unproven technology.

What the Conservatives should be doing to cut greenhouse gas emissions from his province is to slow down the development of the oil sands, which is one of the largest polluters in this country, and make sure that the polluters are paying. Instead, the Conservatives gave big polluters another \$250 million.

The Budget

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I was wondering what the hon. member thought about the centrepiece of the budget, namely the tax-free savings account. A properly advised client would first of all invest in an RRSP, and that is a considerable sum of money with a tax deduction attached, and then after that presumably would invest in an RESP which gives a government incentive to invest and is protected during the time the money is in there, and then if the person had any money left over after that, the money would go into a tax-free savings account.

I wonder whether she knows anyone in her constituency who could, after all those investments, actually take advantage of this. Does she think that the anticipated reduction of revenues of \$5 million is actually of any significance whatsoever?

Ms. Catherine Bell: Mr. Speaker, the tax-free savings account is sadly inadequate and does nothing to help ordinary Canadians be able to save money. Individuals' savings in this country according to Statistics Canada have gone down, not because people did not want to save money, but because they could not afford to. Ordinary families cannot afford things like the cost of prescription drugs, the cost of housing, the cost of fuel to heat their homes, the cost of child care, the cost of health care and the user fees that are going to be imposed on them when everything is done under public private partnerships.

This centrepiece for the Conservatives' budget is sad. Unfortunately, it will do nothing to help individuals save money in my riding of Vancouver Island North.

The Acting Speaker (Mr. Royal Galipeau): I am about to recognize the hon. member for Acadie—Bathurst, who is at the other end of the hall. It is my duty to listen to him carefully and, therefore, I ask those sitting in between who wish to have private conversations to please have them outside of the House. I will listen to the hon. member for Acadie—Bathurst and only him. He has the floor.

Mr. Yvon Godin (Acadie—Bathurst, NDP): I thank you, Mr. Speaker, for all the respect you are giving me as the member for Acadie—Bathurst and telling the others to listen and that if they do not want to listen, then they should go outside. I appreciate that.

I rise today on the discussion about the budget, which we will vote on tonight. The NDP will be voting against this budget and we have many reasons for voting against it.

The Conservative government said that it would be very careful in this budget because a recession would probably be coming, industry was not doing that well and that we are going in the direction of what is happening in the United States. When we look at those statements we see that what the government forgot to say is that it looked after its friends last year by giving \$14 billion to big business and a break in taxes and that now it was nice just to be safe.

•(1635)

[Translation]

We should take a look at this budget. The Conservative government said very clearly that it needed to present a very cautious, prudent budget. At the same time, it had a certain vision going back to last year: if it wanted to table a prudent budget in the spring, it was best to take care of its good friends, the big oil

companies and banks, and be sure to give them their share of the cake with lots of icing on top before the budget.

So in the mini-budget last fall, the Conservative government gave \$14 billion worth of tax cuts to big business. In its current budget, it fails to deal with a number of problems, including veterans' spouses. The Conservative government always tells us we should support the troops on their mission in Afghanistan or elsewhere, but we should support them as well when they come back to Canada.

For example, there is a very regrettable situation insofar as our veterans are concerned. The Liberal government of the time recognized that veterans' spouses should qualify for the VIP or Veterans Independence Program. However, it applies only to the spouses of veterans who died after 1981. The spouses of veterans who died before 1981 do not qualify.

Unlike some fellow citizens living in the same city, therefore, certain veterans' spouses are not eligible for the VIP, which provides such services snow removal and grass cutting or covers costs related to doctor's visits. Some husbands went to war in 1939-45, but because they died before 1981, their widows are not eligible for the program. This budget does nothing at all for these families or people.

There is absolutely nothing in the budget as well to help older people with their medications. These people are our own aging parents. There is nothing at all in the budget to provide them with an affordable drug program. There is also absolutely nothing to help people find affordable housing.

Nor is anything being done to invest more in the training of doctors so that we can have more of them. Canada's health care system has become so sick now that they are trying to privatize it. This is the biggest mistake that our country is making. The Americans would be happy to have a health care system like ours, but the Conservatives are selling it out to move toward U.S.-style health care. That is totally unacceptable.

The government boasts about helping ordinary people in its budget: working people, middle class people, the poor. It is very important, though, to read what is on page 201 of the budget that the government presented on February 26, 2008 in the "Income tax" subsection of the "Tax revenues" section. The government boasts about significant tax cuts for individuals and working people in its budgets, but we should not forget that back in October, the official opposition helped pass \$14 billion worth of tax cuts for big business. The banks, oil companies and other profitable companies are certainly very happy about that.

However, when I look at page 201 of the budget, I find it hard to understand how the ordinary person is going to come out ahead. It clearly states that personal income tax will net the government \$112,515 billion in 2007-08.

The Budget

•(1640)

That \$112,515 billion is the projection for 2007-08. For 2009-10, the projection is \$125,475 billion, a 12% increase for ordinary people who are in the labour market. We are not talking about Conrad Black. We are talking about ordinary people who get up and take their lunch box and go to work. The person who goes out on the land to work, the woman who gets up to go to work in a fish plant or in the tourism industry.

There will be a 12% increase from 2007-08 to 2009-10. I will repeat the figures because it is important to repeat them. The government will take in \$112,515 billion in 2007-08 and a projected \$125,475 billion in 2009-10.

When it comes to companies, it is taking in \$42,405 billion, and in 2009-10 the government will take in \$36,570 billion. That is a 14% decrease for big companies and a 12% increase for ordinary people. That is on page 201 of the federal government's budget.

In another place, the government turned around because it was forced to in the House of Commons. I think it was somewhat embarrassed. A tax cut of \$14 billion was given to big companies last year while industry was going under, be it the forestry industry or the manufacturing industry. Plants are closing everywhere. For example, there are UPM in Miramichi, Smurfit-Stone in Bathurst and AbitibiBowater. The same thing happened with Smurfit-Stone in New Richmond. Those companies closed down. When the Conservatives saw the closings, they said they were going to give a billion dollars to assist industry everywhere in Canada. A billion dollars for all of Canada, which means only \$30 million for New Brunswick.

That shows that the government's budget is not a budget to help ordinary people. And yet we hear the Conservatives saying they are proud of the budget. We now have people 65 and older who can go out to work. That is a good budget all right! The Conservatives are going to get people 65 and older back to work. That is what we are hearing from the Conservatives: that they are happy that at long last, people 65 and older are going to be able to go out to work. What we want is to put young people to work. We want to give older people a chance to retire.

The Conservatives themselves are saying that at last people 65 and older are going to be able to go out to work, and it will be good for them to have \$100 more. Certainly it will be good for them, because they are not able to pay for their prescription drugs and use their cars to go to the doctor.

That is what we have come to. That is the government's budget. That is why we are going to vote against it. It would be nice if the Liberals were here to vote and had the strength to stand up and tell the truth. They say they do not agree with the budget, but they are not voting in favour of it or are not voting at all. Tonight, we will see who—

The Acting Speaker (Mr. Royal Galipeau): We have to move on to questions and comments now. The hon. member for Northumberland—Quinte West.

[English]

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, I listened intently to my friend talk about what the \$3,500

could be used for. I would like to tell my friend what it can be used for, not necessarily just to go out to work.

How about some of those seniors who call me and tell me that last year they lost their GIS because their refrigerator went on the blink and they had to go into their savings account and draw some money out, which made them ineligible for some of the GIS, so it went down. Those are the people we are listening to.

We are also listening to some of the people who say that we need more jobs in our country. The way to create more jobs in our country is to develop a climate where companies want to invest.

For the gloom and doomers in here, I want to say that 7,000 jobs will be created in Baie Comeau over the next little while because ALCOA is investing in an aluminum smelter plant on the north shore. This is a move, the company says, that will help safeguard thousands of jobs in that province. That did not just happen by accident. We are making Canada a place to invest, a place where 7,000 jobs can be created because a company is expanding in an area.

What is so wrong with a budget that creates 7,000 jobs? What is so wrong with a budget that does not want to claw back seniors' GIS because their refrigerator is going on the blink? What is so wrong with that kind of budget?

•(1645)

Mr. Yvon Godin: Mr. Speaker, what is wrong with the budget is when a spouse of a veteran cannot get the VIP before 1981. That is what is wrong with the budget.

What is wrong with the budget is when the member from the Conservative Party, who just spoke a few minutes ago, said that he was happy with the government budget because people over 65 years of age will be able to go to work because they need the money.

The reason they need the money is because of the budget that the Conservatives are coming out with, giving big breaks to big corporations but when it comes to the people who need affordable housing, they do not have it. When they need money for education and health care, they do not get the money for it. That is what is wrong with the budget.

What is wrong with the budget is when the government gives \$14 billion to big corporations and \$1 billion to resolve the problems in forestry. We lost all the sawmills in northern New Brunswick. We lost the sawmills on the Gaspé coast and we lost them all over the country. The forestry industry is closing down as well as the manufacturing sector. That is what is wrong with the budget.

The Conservatives looked after the big boys last year in October, but when it comes time to look after the little people, that is not what they did. If the budget is so good, why are all the Conservative members running around asking why we are not voting with them. We tried to vote with the Liberals on the motion last night to bring the government down on the budget. They should make up their minds.

[Translation]

The Acting Speaker (Mr. Royal Galipeau): The member for Chambly—Borduas has one minute to ask his question.

The Budget

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I will try to keep it short. I understand that my NDP colleague's blood pressure goes up when he hears such things. The Conservative member said it best when he said that it was no accident that the budget was like this.

Does my NDP colleague agree with me that this is nothing but a right-wing budget? It focuses on war, nuclear power—

Some hon. members: —and oil companies.

Mr. Yves Lessard: And oil companies as well. It focuses on war, nuclear power and oil companies, at the expense of social programs.

Is this not sad? There is no point in arguing, because the budget represents an inescapable right-wing ideological choice for them.

The Acting Speaker (Mr. Royal Galipeau): The member for Acadie—Bathurst has one minute to respond.

Mr. Yvon Godin: Mr. Speaker, I first want to thank the member for caring enough to be concerned about my blood pressure. There is no need for concern, though, because my blood pressure is fine.

It is true that it is sad to hear such things. This is the government that eliminated the funding provided for status of women, to help women obtain equality in this country. Organizations worked hard, but the government cut that.

With the stroke of a pen, the government also cut the court challenges program, which helped minorities and francophones. The funding was only \$2 million, which was not much.

It went against the Conservatives' ideology. They do not want to give money to organizations that can do things for our society. That is their ideology. The ideology of the Americans, the American machine, is that individuals have to take care of their own problems; the government is putting tax money back into people's pockets, but these individuals are realizing that it is costing them a lot of money because there are no more communities—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate.

The hon. member for Lac-Saint-Louis.

M. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I will be sharing my time with the member for Mississauga—Erindale.

[*English*]

The budget reminds us of a popular sitcom of the 1990s, the same one the *Toronto Star* referenced in its headline the morning after the budget was delivered, a headline that called the budget speech a show about nothing.

The budget also reminds me of the Wizard of Oz, that charming fantasy set in the dust bowl of the depression. In other words, the budget is all smoke and mirrors, smoke coming from the big blue curtain the government hides behind, the distorting mirrors of the Conservatives' media machine that exaggerate and deform the truth.

It is a budget whose paltry economic vision has been amplified out of all proportion, using the tools of modern communication, including the studios of the Conservative Party's warehouse of wholesale untruths located on the outskirts of the nation's capital

where Conservative spin doctors create their misleading ad campaigns.

First, the budget is without sense, the kind of good economic sense Canada needs to prosper in the 21st century.

Second, this is a budget without heart, the kind of heart needed to help the sick, the poor and the homeless.

Third, this is a budget without courage, the kind of courage needed to tackle the country's growing environmental and infrastructure needs.

Indeed, no matter how much the wizard tries to dress it up, this budget will lead Canada down the yellow brick road to long term economic stagnation.

As Jeffrey Simpson has said in the *Globe and Mail*, "The government's economic plans are rooted in economic illiteracy". I must confess, for the longest while, I thought the Conservative government was simpleminded and simplistic in its approach to public policy, especially economic policy.

Now I see that the government overcomplicates things. It engages in policy contortions that would make the acrobats of the Cirque du Soleil envious. The government's overcomplication is either the result of an attempt to layer political gimmick on top of political gimmick or, alternatively, the product of a profound confusion about economic realities.

Allow me to delve in to some of the government's past economic actions because the budget speech references these so frequently that reading it we experience a kind of déjà vu.

In the past the government cut the GST to, as it today claims, stimulate the economy and counter a recession it did not even know was on its way. Now it says it wants to stimulate savings with a tax-free savings account, or is it trying to stimulate spending? It is hard to know.

The same wizard turned a deficit in Ontario into a surplus with a wave of his wand, at least until the auditors came in to tell us it was all Conservative sleight of hand and that he had left a \$5 billion deficit for the good people of Ontario. The same wizard says he is encouraging savings through the tax-free savings account to allow for more spending.

All economists said it was folly to cut the GST. Now they say the tax-free savings account is a gimmick. The question that arises is the following. If the government believes in fostering choice, and it talks incessantly about choice for barley farmers and for families in choosing their child care, why has it not all along fostered financial choice, giving people the choice to spend or save by cutting income taxes? That is not only lowering the tax burden, but allowing taxpayers to decide for themselves what to do with those tax savings.

The Budget

In any event the tax-free savings account will save a few wealthy Canadians a few dollars and earn Canada's banks a few extra dollars charging fees to open and manage such accounts, fees that could even wipe out the forecasted tax savings. It is smoke from the wizard behind the big blue curtain.

The budget provides that the government will pay down \$10 billion of debt this year. That is wonderful. Let us be clear, it is important to pay down the debt. The previous Liberal government proved the importance of running surpluses and paying down the debt over and over again.

What rule is the government employing to decide how much debt to repay in a given year? Why will it pay down \$10 billion of debt this year then only \$2 billion next year and \$1 billion the year after? Where is the consistency? Where is the logic? Where is the economic good sense? How does the government decide how much debt to repay from one year to the next? How does it decide how much of the surplus to put toward Canada's \$123 billion infrastructure deficit that is growing worse?

• (1650)

It obviously does not have a financial rule or even a simple rule of thumb that it applies from one year to the next. Maybe the wizard uses a Ouija board.

As I said, the budget has no heart. It fails to address health care needs, child care or housing needs. Others have addressed these budget shortcomings in their speeches, so I will go on to the third point which is that the budget lacks courage.

It does not deal with the crucial issues of environmental infrastructure, especially those in the area of water treatment. I mention this because of my role as Liberal opposition water critic but also as a member of Parliament from a riding located in the Great Lakes-St. Lawrence basin where water treatment issues have an important bearing on the quality of local watersheds.

There is nothing new in the budget for enhancing water treatment in the basin, even though the city of Montreal has recently announced plans to build a \$200 million ozonation plant to disinfect Montreal's waste water and improve water quality in the St. Lawrence. The city, incidentally, has also committed to upgrading its water distribution system which is old and leaking.

To illustrate the glaring need for investments in Canada's water treatment infrastructure, one need only refer to a recent study by Statistics Canada on the state of this country's municipal infrastructure. The study showed that while the average age of public infrastructure, such as roads and bridges, has been falling in most provinces for the past seven years, there are ongoing needs in the area of water infrastructure.

Canada's stock of water treatment plants declined by 1.1% a year on average from 2001 to 2007. As a result, the average age of this infrastructure has edged up from 17.4 to 17.8 years. Last year 63% of waste water treatment assessments had passed their useful life. Moreover, while the stock of sanitary and storm sewers has increased 1% a year on average since 2001, this growth rate was not large enough to reverse their aging as the average age reached a record high of 17.9 years in 2007.

More specifically, the government needs to invest in upgrading water and waste water treatment in Ontario's areas of concern and in the zone d'intervention prioritaire in the St. Lawrence. According to Environment Canada, \$3 billion is required over the next five years for plant upgrades in these areas, \$2.4 billion for the areas of concern and \$0.6 billion for the zone d'intervention prioritaire. I believe the federal government should cover half of this amount with the provinces of Quebec and Ontario providing the other half.

When one considers Great Lakes sites in Ontario outside the areas of concern, figures from the ministry of public infrastructure renewal in Ontario have indicated an infrastructure deficit of approximately \$15.7 billion in water and waste water treatment. The total water and waste water infrastructure deficit for Ontario as a whole over the next 15 years will be \$34 billion, including the areas of concern, of which \$25 billion is required for renewal of infrastructure and \$9 billion for new additional infrastructure.

According to the Green Budget Coalition, 80% of this funding is required for the Great Lakes basin.

In conclusion, the budget leaves a lot to be desired. In essence, what we witnessed was less a serious financial exercise than a performance with little meaningful content.

• (1655)

Mr. Rahim Jaffer (Edmonton—Strathcona, CPC): Mr. Speaker, I was listening with some trepidation to that last speech. I was kind of surprised to hear some of the comments that the member was making, especially because the party that is now in opposition was always saying it was for municipalities. It was always talking about the importance of infrastructure. But when it comes to actually putting the money where its mouth is, it seems to be somehow absent, and I use that term loosely.

We have the gas tax, something that even the member supported in some of his previous work. In the budget not only have we said that the gas tax is now going to continue on but it is going to be permanent, something that I think the member supported at one point in time.

I want to challenge the member. If he hates the budget as much as he seems to suggest in his speech, then is he planning to vote against it tonight and put an end to its misery? Is that what he is planning on doing? Maybe he could enlighten us on that.

Mr. Francis Scarpaleggia: Mr. Speaker, first, concepts like gas tax transfers, making them permanent, and money for infrastructure for communities and cities are all Liberal concepts. The government is operating within the framework of Liberal ideas because it has no ideas of its own. As the *Globe and Mail* has said, the policy cupboard is bare.

The budget is like a rickety old gas guzzler stalled by the side of the road. A person slows down to see if he or she can help but realizes it is hopeless. Besides that, the driver is absent, so the individual moves on. At most, the person notifies the authorities that there is a nuisance by the side of the road.

The opposition will bring the government down on an issue on which Canadians want us to bring it down. He can count on that.

The Budget

If the Conservatives continue with meaningless budgets like this, as we move to serious and difficult economic times, the next time they produce an economic statement or something that they try to pass off as a budget, the Conservative government will not see the next morning.

• (1700)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, it is often said that the hallmark of a just society is how we treat our most vulnerable. If the member is not prepared to bring down the government based on this budget and how it treats the poor, on what exactly will it bring the government down?

The Liberal Party has had the member for York Centre travelling the country, saying that the Liberals really care about fighting poverty and that this time they really mean it. Yet, the Liberals are going to allow the budget to pass, and that does nothing to lift the poor out of their current condition.

The government's answer to lifting poor seniors out of poverty was to tell them to get a job. Instead of raising the GIS, it said that it would not claw back the first \$3,500 of income earned. That is not what seniors wanted. Seniors wanted an increase in the GIS.

Let me provide a couple of other examples. There is no increase to the national child benefit supplement in this budget, no investment in child care, no new money for affordable housing, no increase to the minimum wage, no increase to maternity leave benefits and still no proactive pay equity legislation. Yet, the member's party will let the budget pass.

Could the member explain why his party is going across the country telling people that fighting poverty is the number one issue, yet, when it is time to stand up and be counted, it is not going to vote against the budget?

Mr. Francis Scarpaleggia: I do not believe, Mr. Speaker, that our party has any lessons to take from the NDP on the subject of adherence to principle. I have seen the NDP Party vote against principles it claims to embrace, whether it be the principles under GERD, the Kelowna accord or the child care agreements that the previous Liberal government signed with the provinces.

I remember the 1988 election and that reminiscence will be the subject for another time.

Mr. Omar Alhabra (Mississauga—Erindale, Lib.): Mr. Speaker, I am pleased to be given the opportunity to speak to budget 2008, a budget, as in previous Conservative budgets, that has let Canadians down.

As a member of the official opposition, my job is to critically evaluate the performance of the Conservative government and hold it to account, and that is an easy job. It is an easy job to show how incompetent and incapable the Conservative government is. However, only exposing the weaknesses of the Conservative government is not good enough.

I think Canadians expect other members of Parliament to put forward their own ideas, to inspire them and to show a vision and ideas that will advance Canada further and improve the welfare of Canadians.

Therefore, I want to take this opportunity to focus on what I think a Liberal budget would contain. By the way, it is not because I am afraid of being sued by the Conservatives. It is because I think a lot of my colleagues here today have shown and exposed a lot of the weaknesses in the budget, and I have done that in my previous speeches.

Today I want to talk about what a Liberal budget would contain. It certainly would contain a lot of items that would advance Canada and would make it an even better place than it is today. It would pay attention to the concerns with which Canadians deal.

We have issues of the economy, the environment, infrastructure, health care, affordable housing, post-secondary education, smart integration for immigrants and poverty.

Let us start with the economy. There is very little doubt that we are heading toward uncertain economic times. A lot of industries are struggling, particularly the manufacturing industry, especially in Ontario. My riding hires about 50% of the jobs, so it is a very important segment of the industry of our economy, not only in Mississauga but also in the rest of Ontario and across Canada.

What is the role of the government when a sector of the economy faces some challenges? There are two ideologies.

One ideology believes that a government has no role, that it should not intervene and that it should let the so-called marketplace forces get rid of certain industries or fix certain industries. In the meantime, jobs are lost and industries are devastated.

On the other hand, some people believe government can play a positive role in society and can help smooth out transitions and help facilitate economic growth. If one believes in that, one believes the government, during these uncertain times, has a role to play to facilitate the transition or the challenges that manufacturing industries go through.

We know they are temporary. We know they are part of the economic cycles. The best thing for a government to do is to smooth out that transition, so in the future, the manufacturing sector can carry the burden for other sectors that may struggle, and continue to pay taxes and create jobs for Canadians.

A Liberal budget would have contained incentives to create an environment for private investment. It would have created some form of partnership. It would have created tax incentives to attract domestic and foreign investment. Other countries do that. Canada is falling behind. Given the ongoing economic and international economic conditions, our jobs are being transferred somewhere else because the government is not doing what it needs to be doing.

It also would have created a healthier environment for research and development. For example, in our system currently, there are tax credits for companies that invest in research and development, but those tax credits are not refundable. They can only get them accredited against a profit. Currently some of the manufacturing companies are not experiencing any profits because of the downturn. The forestry industry as well is not seeing any profits, again because it is facing some challenges. What does that do? It disincentivizes them from what they need to be doing, which is focusing on research and development and building for the future.

The Budget

A Liberal budget would introduce some form of partially refundable tax incentive, which would mean that a corporation would get some of the tax credit refunded before they would be able to record a profit to help it sustain that research initiative so it could build for the future.

• (1705)

On the environment, there is very little argument, even from the Conservatives, that climate change is a big global challenge. Canadians expect their government to take a leadership role on that file.

A Liberal budget would introduce measures, not only to set targets for greenhouse gas emissions, but to create incentives for industries and individuals so they would be able to reach those targets. It is a similar to the manufacturing industry. We are going through a transitional period, from our current practices, whether at an industrial or at a consumer level, to a much more conscious level of carbon emissions and environmental footprints. We need a government to play a positive role in the transition period, and a Liberal government would have done that.

We heard a lot over the last while about the infrastructure deficit our country faces. Canadian cities are the economic engines of our economy. It is important that a government supports its cities in providing services, like roads, schools, community centres and bridges, so that the economic engine is sustained and is able to grow.

This is not just important for the people who live in cities. This is important for people who live in Canada. Everybody relies on those economic engines, whether we live in cities or in rural areas. Therefore, it is important for a government to play a partnership role with cities so they are able to confront the challenge of infrastructure deficit and build for the future. We do not want to leave the country worse off to our next generation than we have inherited.

I am proud to say that our leader, the Leader of the Opposition, has made a courageous and innovative announcement about investment in infrastructure. Therefore, again it comes down to what we believe in, whether we believe that a federal government has a role to play in facilitating the economic, social and environmental growth of a country or not. The Liberal Party does and would have introduced in a Liberal budget measures to invest in infrastructure.

On health care, today the medical associations are on the Hill. They have told us about the shortage of doctors and nurses. This is something where the federal government can also play a role in partnership with our provinces. This is an issue to which the Liberal government paid lot of attention to in the past. In 2005 the former prime minister signed a \$41 billion deal with the provinces to increase investment in health care. I can assure members that a Liberal budget would have contained a substantive measure to invest in health care.

I know I am running out of time, so I want to talk about an issue that is very much debated, and that is payment toward debt. Canadians discuss this all the time. How do we use the surplus?

This year's surplus was close to \$13 billion. A Liberal government, as it has historically done, would have approached it in a balanced approach. We would have paid down part of the debt,

but we also would have recognized the fact that the country has severe needs and aspirations. We would have invested in the future of our country. We would have invested in infrastructure, as I said. We would have invested in the environment.

While it is important to keep the debt down, it is also important to invest in the future. Again, it is not only good for us but it is essential for future generations.

• (1710)

The Acting Speaker (Mr. Royal Galipeau): Because I will have to interrupt the member at 5:15 p.m., there is only time for one short question.

The hon. member for Kitchener—Conestoga.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I listened with interest to my colleague's comments and he repeatedly used the words "the Liberal government would have". The Liberal government would have fixed the infrastructure problem. It would have solved the climate change issue. It would have solved the health care problem.

I have two questions. First, why did the Liberal government not do that in the 13 years it had to address these issues? Second, will the member have the courage tonight to come and support this budget or will he take the easy route out and stay away?

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Mississauga—Erindale has one minute to respond.

Mr. Omar Alghabra: That is not fair, Mr. Speaker. He had more than one minute to ask his question.

The fact is that the Liberal Party is the reason Canada has been experiencing so much economic and social growth over the last 13 years. I want to thank the hon. member for helping me to remind Canadians of that fact. Canadians remember that we had eight consecutive surplus budgets, which never happened before in Confederation. We had unprecedented economic growth. We had unprecedented social development. I thank my hon. colleague for reminding us of what happened.

As far as the budget is concerned, he has no ground to stand on. The opposition leader at the time, who is now the Prime Minister, abstained in 2005 from a budget because he chose when to bring down the government. We will choose when to bring down the government and—

• (1715)

The Acting Speaker (Mr. Royal Galipeau): It being 5:15, it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of ways and means Motion No. 6.

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 Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say yea.

Some hon. members: Yea.

Private Members' Business

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): Call in the members.

• (1740)

[*Translation*]

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

(*Division No. 47*)

YEAS

Members

Abbott	Ablonczy
Albrecht	Allen
Allison	Ambrose
Anders	Anderson
Arthur	Baird
Batters	Benoit
Bernier	Bezan
Blackburn	Blaney
Boucher	Breitkreuz
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Carrie	Casson
Chong	Clement
Comuzzi	Cummins
Davidson	Day
Del Mastro	Devolin
Doyle	Dykstra
Emerson	Epp
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Galipeau
Gallant	Goldring
Goodyear	Gourde
Grewal	Guergis
Hanger	Harper
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Khan	Komarnicki
Kramp (Prince Edward—Hastings)	Lake
Lauzon	Lebel
Lemieux	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Manning	Mark
Mayes	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nicholson
Norlock	O'Connor
Obhrai	Oda
Paradis	Petit
Poillievre	Prentice
Preston	Rajotte
Reid	Richardson
Ritz	Scheer
Schellenberger	Shiple
Skelton	Solberg
Sorenson	Stanton
Storseth	Strahl
Sweet	Thompson (New Brunswick Southwest)

Thompson (Wild Rose)
Toews
Tweed
Van Loan
Verner
Warawa
Watson
Yelich— 125

Tilson
Trost
Van Kesteren
Vellacott
Wallace
Warkentin
Williams

NAYS

Members

André	Angus
Asselin	Atamanenko
Bachand	Barbot
Bélanger	Bell (Vancouver Island North)
Bell (North Vancouver)	Bellavance
Bevington	Bigras
Black	Blaikie
Blais	Bonsant
Bouchard	Bourgeois
Brunelle	Cardin
Carrier	Charlton
Chow	Christopherson
Comartin	Crête
Crowder	Cullen (Skeena—Bulkley Valley)
Davies	DeBellefeuille
Demers	Deschamps
Dewar	Dion
Duceppe	Faille
Freeman	Gagnon
Gaudet	Godin
Goodale	Gravel
Guay	Guimond
Ignatieff	Jennings
Julian	Kotto
Laforest	Laframboise
Lavallée	Layton
Lemay	Lessard
Lévesque	Lussier
Malo	Maloney
Marston	Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)	Masse
Mathysen	McCallum
McDonough	Ménard (Hochelaga)
Ménard (Marc-Aurèle-Fortin)	Mourani
Mulcair	Nadeau
Nash	Ouellet
Paquette	Perron
Picard	Plamondon
Priddy	Proulx
Redman	Roy
Russell	Savoie
Siksay	St-Cyr
St-Hilaire	Stoffer
Thi Lac	Thibault (Rimouski-Neigette—Témiscouata—Les
Basques)	Wasylycia-Leis— 90
Vincent	

PAIRED

Members

Lalonde

Pallister— 2

The Speaker: I declare the motion carried.

[*English*]

It being 5:47 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

OLD AGE SECURITY PROGRAM

The House resumed from January 30 consideration of the motion.

Private Members' Business

Mr. Laurie Hawn (Parliamentary Secretary to the Minister of National Defence, CPC): Mr. Speaker, I appreciate the opportunity to address the subject of the old age security program and to discuss support for seniors. Members on this side of the House are always happy to discuss our accomplishments on this very important issue. I applaud the hon. member from Rimouski-Neigette—Témiscouata—Les Basques for bringing this motion to the House today and allowing us yet another opportunity to talk about our record.

I know she cares as much about seniors' issues as I do and I can understand why she has left the Bloc Québécois after considering its complete and utter inability to do anything but talk. It has accomplished absolutely nothing in its time in Ottawa and the frustration must be overwhelming. However, she can rest assured that this government is getting the job done.

At the outset I want to say that our record over the past 24 months has been one of action. We have laid out a plan and we are implementing it. This stands in stark contrast to 13 years of Liberal rule where seniors' issues were talked about but little action was taken.

[Translation]

That is not how the government works. On the contrary, just like the hon. member of the opposition, we are truly concerned about the financial and social welfare of our senior citizens and we take action.

That is why we have taken measures to improve the quality of life of seniors. Now, under the government's leadership, seniors are receiving higher benefits through the guaranteed income supplement and the old age security programs than they ever received under the Liberal government.

• (1745)

[English]

One of the first things this government did upon our election in 2006 was to implement an increase to the guaranteed income supplement, or GIS, that totalled 3.5% annually for all GIS recipients, including those my colleague across the way specifically mentions in this motion.

We did this again in January 2007. This measure is providing more than \$400 extra for a single recipient and almost \$700 for a couple.

This amounts to an increase in the GIS of \$2.7 billion over five years. That is the type of action the hon. member for Rimouski-Neigette—Témiscouata—Les Basques was asking for, but the impact is much more positive and affects more seniors than the narrow measures outlined in this motion.

We did not stop there. We have also doubled the tax based pension income credit from \$1,000 to \$2,000. This increase benefits nearly 2.7 million seniors who receive eligible pension income, providing up to \$155 per pensioner.

The actions of this government have resulted in the removal of more than 85,000 pensioners from the tax rolls. Certainly that is something to be proud of.

[Translation]

In terms of benefits for seniors, when we contrast the progress of this government with Motion M-383 to apply the money recovered from overpayments to an increase in GIS payments, we see that the estimated increase would be only \$1.70 per month for each GIS recipient. That is because overpayments are extremely rare. In fact, my colleague from Kamloops—Thompson—Cariboo mentioned that only a few moments ago on the subject of these payments. That figure will decrease dramatically as a result of our government's plans to modernize the program.

[English]

The Government of Canada has long identified the needs of low income seniors as a key priority. This attention has clearly paid off. Canada's pension system is the envy of the world. Our country's mix of public and private pensions has been universally recognized as a highly effective way for countries to provide for retirement income needs.

However, this alone is not good enough for our government.

That is why we acted to help seniors protect their retirement income savings. In budget 2007, we increased the RRSP-RPP maturation age limit to 71 years of age from 69 so that older persons can shelter their tax-free investments for a longer period. Canadian seniors told us they wanted this done and we listened.

The proof is in the pudding. The incidence of low income among Canadian seniors is among the lowest in the developed world. We have fewer lower income seniors than the United Kingdom, Australia, Germany and the United States, to mention just a few. Canada can take pride in this major achievement.

[Translation]

Nevertheless, we are still finding ways to improve the lives of our seniors, not only economically but also in other aspects of their lives. In 2007, our government created the position of Secretary of State (Seniors). She works very closely with the National seniors Council to help identify policies that will respond to the needs of seniors. Unlike the previous government, which made great speeches and then hesitated and dragged its feet about implementing its policies, our government asks seniors what they want and then takes action.

[English]

The creation of the National Seniors Council and the Secretary of State for Seniors are examples of our government's deep commitment to seniors' issues. To further illustrate this, we have committed an additional \$10 million per year to the new horizons for seniors program, which will help seniors to continue making valuable contributions to their communities and their country.

Private Members' Business

This program funds projects led by seniors within community based organizations. It is a grassroots approach. Seniors share their skills, wisdom and experience to their benefit and that of the community at large. By funding local projects, the program ensures that seniors have opportunities to participate and thrive in their communities. Many of these projects are designed to reach out to isolated seniors.

The Minister of Finance announced last week that budget 2008 would commit \$13 million to fund projects that will raise awareness of elder abuse and fight to ensure that those who built this country are not taken advantage of. The remaining new horizons for seniors program funds will provide capital assistance for community buildings and equipment used in delivering seniors' programs.

Budget 2008 represents the most significant advance in ensuring the economic security of Canadian seniors of any budget in the past decade. Last week, the Minister of Finance announced that this government would increase the earned income exemption of GIS recipients to \$3,500 from the current \$500.

● (1750)

[Translation]

The Canadian Association of Retired Persons applauded the government for having listened to retired people on that score. Sean Sprackett, of Ernst & Young, said that for people receiving the guaranteed income supplement, this budget measure will be a real help.

When it is time to support this budget, I hope the hon. member will recognize the importance of these measures and the extent to which they will help low-income seniors.

[English]

Once again, I thank the hon. member for the opportunity to examine new measures to support seniors. This government is interested in listening to any new ideas from all members of the House, because a good idea is a good idea.

While we cannot support the motion, I ask the member to please be assured that we will continue to look at initiatives that seek to improve the well-being of Canada's seniors, because they deserve a government that does more than just talk about the issues. I will point out that the sponsor of the bill actually voted against the budget that would bring in many of these measures that are so important to seniors.

Seniors deserve a government that takes action on the issues that affect them. Under the leadership of this Prime Minister and this government, they finally have one.

[Translation]

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, I am truly delighted to speak in support of the motion by the member for Rimouski-Neigette—Témiscouata—Les Basques asking Parliament to review the old age security program with a view to putting a system in place that would not require seniors to repay their benefits, and paying the savings the program achieves to guaranteed income supplement recipients, giving priority to single, divorced and widowed seniors.

Many of those seniors are women.

[English]

According to a Statistics Canada profile of seniors, in 2005 women accounted for 52% of persons aged 65 to 69 and almost 76% of persons aged 90 or older. Men are catching up to women in their longevity. Between 1981 to 2005, numbers of men between 80 and 84 years increased to 39% of seniors. They had previously been at 37%. By 2021, they could account for 43%.

[Translation]

The motion calls on the government not only to improve the guaranteed income supplement, but also to give special attention to seniors who did not have an opportunity to prepare for retirement.

We are talking about people who have always lived below the poverty line—single seniors who never married, or divorced or widowed seniors, some of whom worked in the home or worked for minimum wage.

So if the government truly intends to help seniors, this motion with give it the direction it needs.

The direction laid out in the motion means allowing seniors who want to continue working, who need to continue working and who are able to work to do so without suffering a financial penalty.

Let us use the scarce resources we have at present, because to all appearances the Conservative government has spent the surplus accumulated by the Liberals when we were in government.

Some seniors would like to be able to continue working part-time without jeopardizing their pensions or their guaranteed income supplement, particularly seniors who live in housing where the cost keeps going up exponentially.

There is a shortage of affordable housing for seniors.

● (1755)

[English]

In 2004 the Canada Mortgage and Housing Corporation told us that even though 2001 census results confirmed that the majority of Canadian households lived in housing that was affordable, uncrowded and in a good state of repair, even though fewer households were in core housing need in 2001 than in 1996, and even though the percentage of Canadian households in core housing need fell from 17.9% to 15.8%, the incidence of core housing need remains high among four segments of the population: seniors aged 65 or over living alone, lone parents with children under 18 living at home, aboriginal households, and recent immigrants.

If the government is really as concerned about seniors as it professes to be and if the government is really concerned about accountability, as it has repeated endlessly, it must be accountable to the seniors of the country, to the seniors of my riding of Davenport, and to seniors of cities throughout the country. It must use those remaining resources to target the seniors who cannot afford not to work without penalizing them financially.

This motion is very similar to that proposed by the Liberal women's caucus and is part of our party's policy.

Private Members' Business

[*Translation*]

The Liberal Women's Caucus Pink Book recommended that seniors be allowed to earn income, including RRSP withdrawals, equal to 10 times the benefits they receive from the old age pension, the OAP, and the guaranteed income supplement, the GIS, before having their GIS reduced. Ten per cent of those two benefits would amount to about \$1,400.

The Pink Book also recommended that the guaranteed income supplement application form be eliminated. All the information is available on the income tax return.

It also recommended dividing the GIS cheque in proportion to a couple's income. For example, if one individual earns 80% of the income, he or she would get 20% of the GIS and the spouse would get 80%.

The Pink Book also recommended working with the provinces to eliminate the 11-month limit on retroactive payment that now applies to Canada pension plan benefits. That change means that a person who applies late for CPP would not be penalized.

[*English*]

In conclusion, while I agree with the sentiments in this motion, I would like to ask for the Speaker's indulgence to allow a friendly amendment to the main motion in order to clarify it. The mover of this motion, I understand, is also in agreement with this proposal.

At this moment, I also would like to thank my colleague, the member for Laval—Les Îles, who has worked so hard on behalf of seniors across this country and who also has put forward this amendment.

[*Translation*]

Therefore, at this stage of the debate, I move the following motion:

That the motion be amended by deleting sections a) and b) from the text.

The new version would read as follows:

That, in the opinion of the House, the government should review the Old Age Security program with a view to:

- a) improve the Guaranteed Income Savings benefits for elderly single, divorced and widowed individuals; and
- b) increase the other income threshold so that Guaranteed Income Savings recipients may receive the equivalent of 15 hours per week of work at minimum wage in their province of residence without penalty.

[*English*]

That is the amendment, which is seconded by my colleague from London North Centre.

● (1800)

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): It is my duty to inform hon. members that, pursuant to Standing Order 93(3), no amendment may be proposed to a private members' motion or to the motion for second reading of a private members' bill unless the sponsor of the item indicates his or her consent.

Therefore, I ask the hon. member for Rimouski-Neigette—Témiscouata—Les Basques if she consents to this amendment being moved?

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, although it pains me to do so, I consent.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): The amendment is in order.

[*Translation*]

The debate is on the amendment.

The hon. member for Chambly—Borduas.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, first of all, I would like to say that we support the motion moved by the hon. member for Rimouski-Neigette—Témiscouata—Les Basques as amended by our colleague from Davenport. We will vote in favour of this motion as amended because, first of all, we believe in it as a political party and because this motion reflects the will of the thousands of seniors we consulted in Quebec.

The hon. member for Repentigny, a Bloc Québécois member, has been making the rounds in Quebec since last fall and meeting with seniors in various forums, as well as social groups that advocate for seniors, particularly community groups. In my own riding, Chambly—Borduas, on February 11, 2008, the hon. member for Repentigny came to meet with over 200 people. I accompanied him to consult them on their financial situation and the conditions they are living in. The motion not only corresponds to their wishes, but above all, it corrects the shortcomings that cause many seniors to live in situations of poverty, situations that are embarrassing for Canada.

At the same time, I also want to congratulate and thank all those seniors' groups in Quebec and Canada. Particularly in Quebec, we see the leaders of these seniors' groups who really do take care of our more disadvantaged citizens. On February 27, the day after the budget was tabled Ernest Boyer, the president of FADOQ, the Quebec federation of seniors, said what he thought about it. He said virtually word for word that there was nothing in the budget to help the poorest, most disadvantaged seniors.

This motion is very pertinent, therefore, to the lives of our seniors and to the debate in the House that was just ended by the budget vote. It is appalling to see just how insensitive this government is to the situation in which our seniors find themselves.

I just heard one of our Conservative colleagues saying much the same thing as we do about the compassion we should all have for our economically most disadvantaged seniors. He came to the conclusion, though, that ultimately the Conservatives will not do anything for them. At the same time, how could we forget the words of the Conservative member this afternoon who said that seniors are good and strong and could go to work? One hon. member said this afternoon that they need good, strong people out in Alberta and he knew some over 70 years old who could go to work.

Private Members' Business

This reflects the attitude toward seniors in the budget, which includes a tax break for seniors who go to work but nothing for those who cannot. We know very well, though, that the seniors who are worst off are those who cannot work because of their age and the fact that their past working conditions left them physically worn out. Not everybody has been lucky enough to have a job that is socially useful but not very physically demanding. Most of the older working people in Canada had employment conditions that compromised their physical condition.

● (1805)

I am talking about people in their early 60s. For example, I have met women who worked in the fishing industry in the Gaspésie and are between 55 and 60 now. Most of them have trouble getting up in the morning because their arthritis is so bad. Why? They worked in water all their lives. We do not work in water here. Anyone with any sense who is aware of the long-term effects of cold water on the body knows that it affects the ends of the nerves, causing them to shrink over time and leading directly to arthritis.

I have been talking about fishers but could mention lumberjacks as well. It is pretty rare to see a lumberjack over 60 who does not have problems with arthritis or something else.

Now that these people have finally stopped working, the government is asking them to go back. In addition to being retrained, they would have to be physically able to work. These are the people we are talking about. There is nothing in the budget to help them, nor even the slightest willingness on the part of the Conservatives.

The motion is very similar to the bill recently tabled by my colleague for Repentigny, Bill C-490, which provides for the automatic registration of people who are eligible for the guaranteed income supplement.

We know that the government has deprived the most needy seniors of an income. In total, the government is holding on to \$3.3 billion that belongs to seniors. In Canada, 135,000 people are entitled to the guaranteed income supplement but are not receiving it. In Quebec, there are still 43,000 people in that situation. People who are eligible should be enrolled automatically and receive the money that is owed to them, but the Government of Canada, Liberals and Conservatives alike, refuses to give it to them, even though it belongs to them. This is a very grave injustice.

The Bloc Québécois bill calls for an increase of \$110 per month for those receiving the guaranteed income supplement. This supplement has not been raised for a long time. The government proposes about \$8 or \$10 a month. That is nothing to the people who are in need. An increase of \$110 is not a lot, but for them it is still significant. Often, that will determine whether they have to go begging for money.

The bill also calls for full retroactivity for the people affected, as I stated previously, as well as a compensatory period for guaranteed income supplement recipients who suffer the loss of their spouse. We propose that, as a means of adapting to their new financial situation, they would be paid the supplement that their deceased spouse would have received for a period of six months.

In short, our position in relation to the motion before us is complementary to our position regarding the bill tabled by my colleague. That is to say, the motion supports part of our bill.

We must point out the great distinction between the political will to achieve something for seniors and simply making a speech in favour of seniors. We can see that difference in this House, listening to the Conservatives and, in practical terms, reading the budget that has just been adopted. That is one of the reasons we voted against this budget. This budget devotes everything to the debt, to the war, to nuclear power and the oil companies, but shows no compassion for seniors.

Some will argue that I am tying together two debates, but the policy of the Conservatives regarding seniors begins with the issue of the guaranteed income supplement and extends to the treatment of older workers who lose their jobs and receive no income support when their employment insurance has expired.

A famous politician said that a society is judged by the way it treats its children and its seniors.

● (1810)

Allow me to say that the two governments who have succeeded each other at the federal level will be judged very severely in terms of their treatment of seniors. That is the reason why we will be voting in favour of the motion as amended.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, Motion M-383 asks the government to review and improve the old age security program for Canadian seniors. It is high time and we will be supporting the motion.

It is vital that we have this debate because the federal policy with regard to seniors has a number of serious shortcomings which allow too many of our seniors to fall through the cracks. And this will continue unless we make changes.

The Canadian Institute of Actuaries and Waterloo University recently concluded that two-thirds of Canadian households planning to retire in 2030 will not have saved enough to defray their essential living expenses during their retirement.

The Minister of Finance may believe that everyone is able to save \$5,000 each year, but that is not at all the case.

[*English*]

Fifty-eight per cent of respondents to a local radio show in Victoria said they could only dream of the day they had \$5,000 of discretionary cash.

We clearly need a comprehensive review of OAS and other income supports for seniors, a review that is done regularly so it reflects the changing needs and circumstances that seniors face in different parts of the country.

Private Members' Business

The Victoria group Women Elders in Action testified before the finance committee last fall that in 2004, 40% of women workers held non-standard jobs commonly offering low wages without security and without benefits. The warning that they should expect to work until 67 or even 73 to achieve some semblance of economic security fits conveniently with the government's desire to have aging workers stay in the workforce longer. It is not surprising then that the only budget provision related to seniors was to get seniors to work longer.

It is these small changes that the Liberals do not mind supporting in the budget because they seem inoffensive, but behind them we have to see the larger project of Tom Flanagan and the Fraser Institute incrementally moving Canada toward a more conservative state. Before we know it, the logical next step will be to delay public pensions to age 70. I am not prepared to start down that road.

The NDP's seniors first motion would take us in the other direction, to protect, respect and support seniors. It passed the House in June 2006 and 20 months later, we have no action from the government, other than a new National Seniors Council which is apparently very slow to act.

Seniors in my riding are exceptionally aware and astute about politics. They know that what we do here in Ottawa affects their everyday lives.

In January, the NDP's seniors critic, the member for Hamilton Mountain, came for a day to Victoria. She and I exchanged concerns with over 150 people, including a very productive session with representatives of Victoria's seniors groups.

We heard during that session that seniors are impacted by a number of big issues, such as the desperate lack of affordable housing in Victoria, the doctor shortage, the sky-high cost of necessary prescription drugs, inadequate home care and long term care to allow them to stay at home longer, and a shameful lack of financial supports for in-home caregivers who sacrifice so much to be there for family and friends in their moment of need.

We heard about a marked decline in service from the federal government ever since Service Canada replaced specialized support staff with expert knowledge on seniors programs.

We heard how the federal government does a poor job of informing seniors about their eligibility for CPP, income support and the disability tax credit. Fifty thousand seniors missed out on old age security and other supports in 2004, and close to one million Canadians who are eligible for the disability tax credit simply do not know about it.

I hosted a workshop on the disability tax credit last fall and as a result, some individuals are now receiving benefits they would never have known existed.

We heard how the federal government is refusing to pay back seniors for an error in calculating the consumer price index which shortchanged countless seniors on their CPP and income support payments. As it is, we know that seniors get a bad deal from inflation calculations that do not reflect the real cost of living increases they face. Now the government refuses to account for its own mistake. We also heard calls to move toward including alternative and complementary medicine in health care plans.

Most of these problems are well-known because they have been raised by seniors for a long time and by the NDP, but we still have no action.

These needs are just some of the reasons it is also important to support the incredible work by seniors organizations across Canada that try to help seniors deal with these issues.

Communities across Canada have groups like Victoria's New Horizons groups, Greater Victoria Seniors, Silver Threads, Seniors Helping Seniors and Oak Bay Volunteer Services. I could spend my whole 10 minutes telling this House about the tremendous and invaluable work done by these groups in Victoria.

• (1815)

Seniors organizations have told me over and over again that they need long term core funding to more effectively and efficiently provide the services that seniors desperately need.

The current project-based scheme imposed by the federal government forces these largely volunteer run groups to spend far too much of their time and energy applying for grants instead of delivering programs.

The worst part of the system is that the groups are not allowed to apply for the same project from year to year. They are forced to come up with new proposals every 12 months instead of continuing and extending their proven projects to reach more and more seniors in need.

Just yesterday the Canadian Public Health Association released a report from its 15 member expert panel on health literacy stating that 88% of Canadian seniors would benefit from stronger health literacy skills, that is, the capacity to obtain, process and understand basic health information and services needed to make appropriate health decisions.

Carolyn Altridge, a retired RN in Victoria, told me that she regularly sees errors made in taking medication, with enormous costs to seniors' health and to the whole health care system overall.

Among the CPHA report's solutions were community grassroots initiatives such as the ones promoted and provided by Victoria's seniors organizations and centres. The very groups that could help address the health literacy gap are the ones the government is starving.

Private Members' Business

These are not start-up NGOs. They have been in business for years. They know the community and they know what works. They do not need seed money to become independent organizations. They need stable, long term funding to do their work of helping seniors stay independent as long as they can.

In some cases they have had to hire a full time employee just to manage the onerous application and reporting process to the federal government.

No one is saying that these groups should not be accountable for their funding, but simply that they should have some time left after filling out all the government forms to actually deliver the programs. They should be trusted by the government to know what works best in their field, instead of being micromanaged.

They are major on the ground solutions to many of the problems I mentioned today, including that of health literacy, and I firmly believe that respect for our seniors has to start with respect for the organizations that represent and serve our seniors.

It is an insult that the budget only mentions seniors in the context of getting them to work longer. If we mean it when we say that seniors deserve to retire with dignity and respect, we have to start showing it. This motion is the beginning of making some much needed changes to the old age security system and my colleagues and I will strongly support it.

• (1820)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I am quite pleased to draw these two hours of debate to a close, first by thanking all our colleagues who spoke and shared their points of view. Although we do not all hold the same opinion, this democratic exercise will at least have had the advantage of allowing citizens, seniors in particular, to see what their representatives truly stand for.

Canadians will also have had the opportunity—unfortunately, in one sense—to listen to the Conservative nonsense on two occasions. And I would like to say to Canadians that one never gets used to it, although that is no consolation. I will never get used to the fact that a government with the means does not have the will to safeguard Canadians against poverty and to help them live with dignity.

My motion contains possible solutions. It asks the government to accept the principle of a program review, based on specific, although not exhaustive, suggestions that will stop us from aggravating the poverty of our most disadvantaged seniors.

In the budget adopted this evening, the government included an exemption on the first \$3,500 of income in calculating the guaranteed income supplement. This exemption is certainly modelled after the last part of my motion, although it is quite a bit less generous.

However, the problem has to be seen from a wider angle. The new measure in the budget will help seniors who want to continue working, but the budget contains nothing new for single seniors living in poverty.

The government had the resources to give them a significant increase that would at least have brought them above the poverty line.

My motion is supported by the signatures of more than 7,000 people throughout eastern Quebec, who want the people in charge of the program and the people in Parliament to think about the extremely distressing situation of seniors who are receiving the guaranteed income supplement. The voice of the people is speaking.

I want to repeat one aspect of my speech that I believe to be important. When I spoke to my motion, I tried very sincerely to raise the tone of the debate above partisanship.

I believe I succeeded, up to a point, but unfortunately the Conservatives have been using this place for two years to engage in self-aggrandizement instead of genuinely discussing how they could make a lasting improvement in the lives of the people for whom they are responsible, and in particular seniors.

It is absolutely scandalous, given that there are thousands of seniors living below the poverty line, that the Conservatives would dare to brag that they have done a better job, in their own opinion, than previous governments.

Although the Parliamentary Secretary to the Minister of Human Resources said at the outset of her speech, and I quote, "...we welcome any input from the opposition", she set about trying to tear down the suggestions I made, as her colleague did tonight as well, but more than anything, she went on about what she said was "good news", that Canada has the lowest poverty rate among seniors in the world.

Not only will seniors living on the guaranteed income supplement find nothing for them here, but they will be insulted to hear things like that being said.

I am not concerned about the fact that the poverty rate for seniors is the lowest in the world, I am concerned about the fact that there is still poverty in a country as rich as this. The Conservative government is putting all its energy into reducing the debt, but if that debt is the lowest in the world, why not work on truly reducing poverty in this country?

My opposition colleagues have offered constructive criticism. Some of them wanted to quantify seniors' lost earnings, others had problems with certain terms used, and the Liberals presented an amendment and I accepted it because it did nothing to detract from my original motion or the essence of that motion, which is obviously to improve guaranteed income supplement benefits and allow for 15 hours of work.

Beyond the words, beyond the terms, beyond the possible solutions that have been suggested, there is the intention and there is the action that can be taken. That is what my motion is about: tackling the entire problem of poverty among our seniors by providing them with dignified, honourable, decent benefits that are worthy of the name.

In conclusion, I would like to say that this motion can be achieved, it is realistic, and it is time to act. I would like once again to thank the member who seconded my motion, the member for London North Centre.

Adjournment Proceedings

•(1825)

[English]

The Acting Speaker (Mr. Andrew Scheer): The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Andrew Scheer): Pursuant to Standing Order 93 the recorded division stands deferred until Wednesday, March 5 immediately before the time provided for private members' business.

Mr. Marcel Proulx: Mr. Speaker, I believe you will find unanimous consent to see the clock at 6:30.

The Acting Speaker (Mr. Andrew Scheer): 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]

GOVERNMENT APPOINTMENTS

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I rise today in order, I hope, to get a clearer answer to the questions I asked about the scheming for a government appointment.

The House of Commons could do without the jeers of the hon. members opposite. It could also do without the smugness that surrounds the Conservative government.

Canadians have a right to clear, unequivocal answers from their elected representatives. They are responsible to the House and the people of Canada for answering clearly and accurately for their actions.

We all remember the O'Brien affair. I will summarize what happened.

In the last mayoralty race in Ottawa, candidate Larry O'Brien allegedly approached his rival Terry Kilrea. Why? To dangle before

him the possibility of getting him a job on the National Parole Board and paying some of his election expenses in return for Mr. Kilrea's withdrawal from the race. The two men exchanged emails about this.

The *Ottawa Citizen* has followed this saga and helped identify the main participants in it. Apart from the two principals, the following names have surfaced: Ms. Heather Tessier, who is Mr. O'Brien's niece, a former executive assistant for Mayor O'Brien, and, according to the *Ottawa Sun*, a former executive assistant to the hon. member for Nepean—Carleton and Parliamentary Secretary to the President of the Treasury Board.

The Minister of the Environment apparently met Mayor O'Brien at Hy's Steakhouse.

Mr. Dimitri Pantazopoulos has long been close to the Conservatives and is the president of Praxicus Public Strategies. He is said to have approached Mr. Kilrea in this matter. According to *The Ottawa Citizen*, he mentioned a possible job but said it would have to wait until after the election.

Mr. John Reynolds was the co-chair of the Conservative Party's 2006 election campaign. He supposedly spoke with Mr. O'Brien about this but claims he never pursued the matter.

Mr. John Light is the political assistant of the hon. member for Nepean—Carleton and the Parliamentary Secretary to the President of the Treasury Board. He supposedly said that Mr. O'Brien's campaign team was secretly working to persuade Mr. Kilrea to drop out of the race.

Mr. Doug Finley is the chief organizer of the Conservative Party of Canada. He is said to have been responsible for drawing up some kind of an offer.

Mr. Kilrea signed an affidavit explaining his version of events, and he even agreed to undergo a polygraph test, the results of which were positive. The Ontario Provincial Police investigated the matter, and Mr. O'Brien was charged.

During a question period last October, the Leader of the Government in the House of Commons denied having offered an appointment or anything else. However, in an affidavit, Detective Sergeant Mason of the Ontario Provincial Police said that Mayor O'Brien had asked Terry Kilrea to drop out of the mayoral race if O'Brien could make an appointment happen. According to Mr. Kilrea, he received a call a few hours later from Mr. O'Brien, who told him that John Reynolds had put his name on a list. Parliamentary assistant John Light told police that Doug Finley was in charge of preparing an offer.

In November, the Liberal Party asked the Royal Canadian Mounted Police to look into the actions of the Minister of the Environment and other members of the Conservative Party.

This affair throws the government's lack of transparency into sharp relief. The Minister of the Environment knew that an offer had been made, but he did not do anything to stop it. The minister has his head in the sand and is pretending to see nothing, know nothing and hear nothing.

Adjournment Proceedings

Mr. Speaker, if I may, I would like to repeat my question: How can the Minister of the Environment claim that his hands are clean when he did not inform the authorities as soon as he came into possession of this information?

• (1830)

[English]

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I suppose if it is Tuesday night and late show proceedings are on, it is an invent a scandal night courtesy of the Liberals.

The member opposite wanted some clarity. Let me be perfectly clear. An appointment for Mr. Kilrea was never considered. An appointment for Mr. Kilrea was never offered. An appointment for Mr. Kilrea was never granted.

There is no scandal. Case closed.

[Translation]

Mr. Marcel Proulx: Mr. Speaker, last December, OPP Superintendent Dave Truax told the media that he would transfer the files from the O'Brien case to the RCMP. The following day, the OPP quickly released a statement saying that the files would not be transferred to the RCMP.

What happened during those 24 hours? Who used their influence to reverse that decision? What role did the Minister of the Environment play in this whole thing? His chief of staff admitted that he phoned the OPP.

Shockingly, the Minister of the Environment got involved not once, but twice in the election campaign, when he decided, on his own, to suspend federal funding for Ottawa's light rail project in the middle of an election campaign.

I repeat my question: How can the Minister of the Environment claim to have had nothing to do with this?

• (1835)

[English]

Mr. Tom Lukiwski: Mr. Speaker, quite clearly, only the Liberals would consider it a scandal where a patronage appointment was not made.

With respect to the involvement of the OPP, only the Liberals could invent a conspiracy theory blaming the OPP, when they find out that the minister was not involved.

No scandal. Case closed.

[Translation]

SENIORS

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, Ind.): Mr. Speaker, I want to use this adjournment debate to return to an issue I raised last November. I denounced the Service Canada advertisement in which two retired people literally bump into a Service Canada counter on a curling rink. When I saw that commercial on television, I was outraged that the Conservative government was spending fantastic amounts of money on advertising instead of allocating that money to really helping seniors. We are

aware that there are still a great many seniors who are eligible for the guaranteed income supplement but do not know it. If we looked for them perhaps we would find them.

Despite the surplus available to the government; despite its obligation to redistribute that collective wealth, the financial situation of thousands of seniors whose only income is the combined old age security and guaranteed income supplement benefits continues to get worse. As we know, thousands of seniors are eligible for the guaranteed income supplement but do not know it. In fact, they are being deprived of it. Even though the government has made some changes in its procedures, it is not enough.

The government must employ the resources necessary to reach these people who could receive the guaranteed income supplement. Service Canada staff should be out on the ground to find these people and help them fill out the forms. This is local work that demands a serious and sustained effort. The staff certainly will not find destitute seniors in curling rinks.

The government must administer public funds prudently and without seeking to advance its political interests. Taxpayers' money should go to those who need it and not to advertising agencies.

When we think of the insufficient benefits, when we know that seniors whose only income is those benefits are living below the poverty line, and that thousands of people who are eligible are not receiving benefits, that kind of waste on advertising is unacceptable and shameful.

Who could seriously claim that such advertising is effective? It does not deal in any way with the problems of older people, whom it is exploiting.

From the Auditor General's report of November 2006, we have learned, and I quote:

Human Resources and Social Development Canada and Service Canada have limited information on why potentially eligible seniors do not apply for the GIS. The two organizations also lack data collection mechanisms that would reveal whether outreach activities translate into applications received.

That being the case, how can the Conservative government have gone on blissfully believing that the ads would really connect with those seniors? Why did the Conservative government not take more effective measures to ensure that it would reach seniors in need?

In the end, the formula is the same from one government to the next: look like it is doing something without actually doing it or intending to achieve results. Not only is that upsetting, it is unacceptable.

[English]

Mrs. Lynne Yelich (Parliamentary Secretary to the Minister of Human Resources and Social Development, CPC): Mr. Speaker, my remarks are going to be very brief because I spoke to this issue just last week during the debate on the hon. member's Motion No. 383.

I want to point out again that the federal government proactively contacts millions of Canadian seniors to inform them of the benefits to which they are entitled.

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I have to point out to the member that we have done a lot for seniors. We have given seniors their own secretariat and their own voice at the cabinet table. We have acted very quickly to support seniors issues.

Within months after being elected, we introduced Bill C-36 which strengthened the CPP and the old age security programs. We simplified that application process. We had many changes. We reduced the number of seniors living in poverty. The government has overseen two increases in the guaranteed income supplement.

Effective January 2006, we raised the GIS by 3.5% and raised it again in January 2007. These measures are providing all single recipients of the guaranteed income supplement with an additional \$430 per year and \$700 per couple.

These increases will raise the total guaranteed income supplement by more than \$2.7 billion in the next five years. These increases will benefit 1.6 million guaranteed income supplement recipients. This is more than 50,000 seniors who were not eligible for the program under the previous Liberal government.

In closing, I want to thank the hon. member across the way for her question, but I want to assure the member that Canadian seniors have finally found a government that really is interested in their issues and is responding.

● (1840)

[Translation]

Ms. Louise Thibault: Mr. Speaker, the least one can say is that this has been an evening of very brief remarks, at least on the government's part, even though according to the rules for the adjournment debate, each side should have spoken for four minutes. However, I am just as glad that the other side did not talk for four minutes because the Conservatives' tactic is never to give answers during question period or the late show.

The question was a simple one. The government spent millions on advertising that it said would reach seniors at curling rinks. Why did the government not use that money to make an earnest effort to reach the people who qualify for the guaranteed income supplement and to make sure they knew they were entitled to it? That is the government's responsibility.

The question was a simple one. I do not need to hear yet another secretary of state toot her own horn. Better that she not reply at all. That would be less insulting to the seniors I represent and to seniors across Canada.

[English]

Mrs. Lynne Yelich: Mr. Speaker, the member is saying that Service Canada has not reached out to seniors. It has many outreach programs and we have taken seniors very seriously. That is why they have a voice at the cabinet table, which is very important. They have a strong voice.

We have expanded the new horizons program. We know there have been issues with elder abuse and we have worked to try to combat elder abuse. We have a very impressive record and we do not forget seniors. We have increased the GIS.

I think the member will understand that seniors have never had a better voice than the Conservative Party.

MANUFACTURING INDUSTRY

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, on December 7 I asked when the government was going to establish a plan to address the very serious plight of the manufacturing industry in our country. The response I got at that time from the Parliamentary Secretary to the Minister of Industry was full of rhetoric and complaints about the NDP. The response failed to address the question in a substantive way and resulted in my asking for further clarification tonight.

Since my question on December 7, Canada continues to lose manufacturing jobs and those left are hanging by a thread. In December there were 33,000 fewer manufacturing jobs in Canada than in the month of November.

I will also say that the parliamentary secretary was right when he said that the NDP supported measures and recommendations coming from the industry committee last year. However, one thing is clear, and that is that the budget has failed the manufacturing sector, but do not take my word for it. On February 26 Jay Myers, the president of Canadian Manufacturers & Exporters, said:

Manufacturing is the grassroots leader of innovation in this country, but I am not sure politicians are hearing that message.

He went on to say:

This budget worries me because it sends the message that a reduction in corporate tax rates is the silver bullet for the economy.

On February 27, Mr. Myers, again naming the finance minister, said he “doesn't seem to understand the seriousness of the problems facing industry in Canada today”.

On the same day, February 27, CAW president Buzz Hargrove was quoted in the *Globe and Mail* as saying:

This money should be the first part of a much bigger long term automotive strategy, not a one-time gesture to rally voters.

I hope the parliamentary secretary has come here tonight prepared to offer Canadian workers a better explanation of what his government intends to do to establish a forward looking, comprehensive manufacturing strategy that the industry says it needs and that Canadian workers expect from their federal government, a manufacturing strategy that not only protects existing jobs and helps prepare the industry for the job opportunities of tomorrow.

I look forward to the response from the parliamentary secretary.

● (1845)

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, the Canadian economy is strong and investments in machinery and equipment are up. Unemployment across Canada is at record levels, salary and hourly wages are increasing and manufacturing unemployment is actually below the general unemployment levels across the country.

Both the hon. member and I agree that manufacturers are facing some challenges. However, we seem to disagree on how the government should be involved.

Adjournment Proceedings

The results are speaking for themselves. Every measure the Conservative government has brought to the House, with the exception of one, the NDP has voted against. The member has sold out his constituents for the agenda of some radical interest groups that would prefer to see the Government of Canada attempt to spend the U.S. out of a potential recession and Canada back into deficit. We cannot go there.

Last year, the Standing Commission on Industry, Science and Technology tabled 22 recommendations and we have responded positively to all of them.

When it came time to act, this government provided in budget 2007, a budget that received overwhelming positive responses from the industry. However, when it came to a vote in the House, that member and his radical ideological party stood and voted against every measure and the recommendations of his industry critic.

Here is the short list of what the government has delivered. We cut corporate taxes. These were broad-based tax reductions resulting in \$9 billion in tax relief. By 2010, Canada will have the lowest overall tax rate on new business. We are proposing to extend the temporary accelerated capital cost allowance for machinery and equipment. We did that for an additional three years, which is an additional \$1 billion in tax relief.

Last January, we allocated \$1 billion for the community development trust to support hard hit workers. We are injecting \$90 million to extend the targeted initiative for older workers to 2012 to help older workers stay in the workforce. We are making the biggest investments in infrastructure in half a century of \$33 billion.

We are also cutting red tape and reducing the paper burden so businesses can spend time being productive and less time filling out forms. We are supporting research and development.

This government has moved well beyond the need for assessing a strategy. We are taking real action for the people of Canada.

Mr. Wayne Marston: Mr. Speaker, the parliamentary secretary still has the patter down well and the rhetoric seems to still be there.

I am proud of my voting record. I have been standing up for the people of my riding, the people of Hamilton, and the manufacturing sector that is being devastated. I would say that right now the Governor of the Bank of Canada has realized how the economic downturn in the U.S. could negatively impact on middle class families in Canada and he cut the rates just yesterday.

Statistics released yesterday also show that economic output contracted 0.7% in December, a major decline of fourth-quarter exports caused by a drastic 2.7% decrease in the international shipment of goods. Manufacturing activity tumbled 3.2%, reaching the lowest level since 2001. Motor vehicle production dropped 27%, the largest monthly decline since production cutbacks in January 1990, which caused a 37% reduction in activity.

All these drops—

The Acting Speaker (Mr. Andrew Scheer): Order, please. The hon. Parliamentary Secretary to the Minister of Industry.

Mr. Colin Carrie: Mr. Speaker, the Canadian economy is rock solid, even while other economies are experiencing uncertainty.

Unemployment is the lowest in 33 years. Last year, Ontario added nearly 82,000 new jobs to its economy, largely compensating for the 64,000 jobs lost in manufacturing. Our economy continues to grow at a solid pace, 2.7% in 2007, and is expected to be ahead of the G-7 in 2008. Private sector forecasters expect continued solid growth for Canada.

We want Canada's manufacturing sector to enjoy this economic expansion, to make the investments that will help it compete for the long term and we want it to benefit from a knowledge workforce. That is why this government is taking steps and using the steps it already has in place to support the manufacturing sector. This is a sector that will provide jobs and prosperity for many years to come.

The Acting Speaker (Mr. Andrew Scheer): 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.

(The House adjourned at 6:49 p.m.)

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