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OFFICIAL REPORT
(HANSARD)

Tuesday, March 20, 2007

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, March 20, 2007

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)
[English]

PARLIAMENTARY DELEGATIONS

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present, in both official languages, the report of the Canadian delegation of the Canada-United States Interparliamentary Group respecting its participation in the Pacific NorthWest Economic Region, 2006, economic leadership forum, Whistler, British Columbia, November 16 to 18, 2006.

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I have the honour to present, in both official languages, the 38th report of the Standing Committee on Procedure and House Affairs regarding membership of committees of the House and I would like to move concurrence at this time.

(Motion agreed to)

* * *

PETITIONS

VISITOR VISAS

Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.): Mr. Speaker, pursuant to Standing Order 36 it is my privilege to present a petition signed by 244 concerned Canadians that was collected and signed by readers of the *Polish-Canadian Independent Courier* and members of the Czech and Slovak Association of Canada.

The petitioners demand that Parliament pass and the government adopt private members' Motion No. 19 calling for the lifting of visitor visas for the following EU member states: Poland, Slovakia, Czech Republic, Latvia, Lithuania and Hungary. These countries are European Union members and the same visa regime should apply to them as they do to other EU member countries.

Canada's burdensome visa regime is a throwback to the days of the cold war and should be modernized to reflect new geopolitical realities. The Iron Curtain has come down. It is time for Canada's visa curtain to come down as well.

TAXATION

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I am pleased to table two petitions today. Let me begin with one from the building trades. This petition was circulated by two community leaders in my riding of Hamilton Mountain: Joe Beattie, who is the business manager for the Hamilton-Brantford Ontario Building and Construction Trades Council, and Geoff Roman, the chair of the Political Action Committee of UA Local 67.

They have lobbied successive governments for over 30 years to achieve some basic fairness for their members. They want trades persons and indentured apprentices to be able to deduct travel and accommodation expenses from their taxable incomes so they can secure and maintain employment at construction sites that are more than 80 kilometres from their homes.

It makes no sense for trades persons to be out of work in one area of the country while another region suffers from temporary skilled labour shortages simply because the cost of travelling is too high. To that end they have gathered hundreds of signatures in support of my bill, Bill C-390, which allows for precisely the kind of deductions that their members have been asking for.

I am pleased to table the petition on their behalf and share their disappointment that this item was not addressed in yesterday's budget.

INFLATION

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, the second petition I am pleased to table today builds on the questions that I have been raising in the House about fairness for ordinary Canadians who were shortchanged by their government as a result of an error in calculating the rate of inflation.

The petitioners call on Parliament to take full responsibility for this error and take the required steps to repay every Canadian who has been shortchanged by a government program because of the miscalculation of the CPI.

The Budget

The petition is signed by almost 100 seniors who live in the Swansea apartments in my riding of Hamilton Mountain. They are people who have worked hard all their lives, played by the rules, and are now finding it harder and harder to make ends meet. All they are asking for is a little bit of fairness. I am pleased to table this petition on their behalf.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

[*English*]

The House resumed from March 19 consideration of the motion that this House approves in general the budgetary policy of the government.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, Liberals will vote against this budget for two reasons.

First, the budget does little for average Canadians. It offers much less than claimed and much less than meets the eye. Indeed, never has a finance minister done so little with so much.

Second, the government has no plan to build a better Canada for ourselves and future generations of Canadians. Instead of doing what is best for Canada and Canadians, the government has done exclusively what is best for the Conservative Party in full re-election mode.

This is a shotgun budget. It is as if the finance minister shut his eyes, held a shotgun into the air, pulled the trigger, and hoped that he hit as many targets as possible. It is an unfocused budget. It is a directionless budget.

The only time the Conservative government has engaged in broad based tax changes it moved in the wrong direction.

In budget 2006, the government increased the income tax rate on the first \$35,000 of income from 15% to 15.5%. One of the biggest disappointments of the budget is that despite its enormous surpluses, the government saw fit to maintain that higher income tax rate. It offered nothing in the form of broad based tax relief in any other area.

John Williamson, president of the Canadian Taxpayers Federation, and traditionally not a great friend of Liberals, put the point as follows, and I quote: "The fellow working the line or anyone with a salary income and no children will receive no tax relief. That's disappointing. Ottawa's running huge surpluses".

Or, in the words of Nancy Hughes Anthony, president of the Canadian Chamber of Commerce: "We would have preferred to see some broader tax relief which would have had a real impact on the economy and instead we saw small, little targeted breaks for everybody from lacrosse fans to truck drivers".

Similarly, Clément Gignac, vice-president of Banque Nationale du Canada said:

• (1010)

[*Translation*]

These tax cuts are a drop in the bucket compared to the federal government's total revenues.

[*English*]

It is true that the government offered a new child tax credit worth a maximum of \$310 per child. It turns out that the cost of this tax credit, at \$1.4 billion per year, is almost exactly equal to the cost of the income tax hike that the minister left intact. We can say that these two measures cancel each other out.

The only other major tax measure was the working income tax credit. It is a program to put money into the pockets of the working poor and help them climb the welfare wall. This is an excellent measure that was borrowed from the previous government, albeit in watered down form.

Indeed, we always supported this program. We introduced it, but the government watered it down. Indeed, the government's maximum benefit for a family is \$500 a year. I am not sure that is enough to scale the welfare wall, but at least it is in the right direction.

Other than that, the budget contains a hodgepodge of small targeted tax measures amounting to \$700 million, or less than \$50 per taxpayer per year.

My problem with the tax relief for ordinary Canadians is twofold: it is small potatoes and it continues in this government's tradition of narrowly based, politically motivated tax credits, rather than tax relief for all.

Despite its attempts to appear centrist, even liberal, the government's meanspirited ideology revealed itself in who it decided not to help. There is no direct assistance for undergraduate students. Sure, the budget has some money for Canada's top 4,000 graduate students, but the vast majority get nothing at all.

Perhaps most shameful of all, there is only a pittance for Canada's aboriginal people. As National Chief Phil Fontaine put it: "We're extremely disappointed, frustrated, because it's obvious that those that did well today are those that are considered important to this government. Those that are viewed as unimportant did badly, and we did badly."

The Budget

There was no mention at all of the homeless or social housing. Critical for working families, in 2006 the Conservatives promised 125,000 new child care spaces over five years. Fourteen months into its mandate, Canadian families are realizing this promise was not worth the paper it was written on. There have been zero spaces created in the past year. Since this 2006 plan was a total flop, why should Canadians believe the government's so-called new strategy will work any better?

Tax relief and other assistance for ordinary Canadians has been minimal in amount and highly selective in its direction. Phil Fontaine put it well: "Those who are potential Conservative voters do well. Others do badly".

• (1015)

[Translation]

In my opinion, the main difference between the leaders of our two parties is simple. The Liberal leader would govern with an eye to the future by making what he felt to be the best choices for our country and current and future generations.

The Conservative leader, on the other hand, governs according to his sole purpose: winning the next election. The budget makes this difference very clear, and it is because of this difference that the Liberals oppose this budget. When the Liberals came to power in 1993, they had to clean up a \$42 billion deficit inherited from the Conservatives. The strategy they were forced to adopt to deal with that mess was not necessarily a vote-getting strategy, but it was in this country's best interest, and Canadians got on board.

The Liberal strategy produced excellent results. Among other things, it paved the way for the budget surpluses the Conservatives inherited when they came to power in 2006. Armed with the biggest budget surpluses a new government had ever had at its disposal in Canada's history, the Conservatives had a golden opportunity to create a new national plan that would open a lot of doors for this country, a plan that would look nothing like the one the Liberals implemented when there were huge deficits, a plan that would give Canada plenty of momentum for the 21st century, a plan focused on creating on a stronger, more competitive economy, a more just society and a healthier planet.

The government wasted its first year in power moving Canada in the wrong direction on all counts. Rather than build a 21st century economy, the Prime Minister raised income taxes, reduced the GST, and cut 70% of funding for research and higher education. In international trade, the government took the wrong approach by giving China the cold shoulder and brushing India aside. They have been in power for 15 months, and not one minister has yet been to India. Is that not remarkable?

In terms of social justice, the Prime Minister's meanspirited cuts affect the least fortunate members of Canadian society: aboriginal people, citizens who rely on literacy programs, children who need affordable care, and women. As for the environment, he began by slashing \$5.6 billion from environmental protection programs, before the polls spurred him to bring back weak facsimiles under new names and with much less funding.

Yesterday, the government had a second golden opportunity. With the coffers still overflowing with Canadian taxpayers' hard-earned

money, the Prime Minister could have learned from his past mistakes and taken action to move Canada forward. Well, I guess not, since what the Prime Minister offered to Canadians is a real con job, right out of *The Sting*. He claims that he is moving Canada forward in terms of economics, social justice and environmental protection. In reality, however, the support he is offering is symbolic, at best. He continues to waste budget surpluses by funding a number of measures that are nothing more than smoke and mirrors, rather than focussing on a reliable plan that would guarantee Canada's future.

With respect to social justice, the Minister of Finance wants to appear sympathetic by offering a mini-version of the plan developed by the Liberals to encourage Canadians who receive social assistance to regain control of their lives.

• (1020)

If he really wanted to help Canadians who have the greatest needs, he would have restored the funding that aboriginal peoples were supposed to receive under the Kelowna accord. He would have taken effective measures to create child care spaces and he would have put an end to the budget cuts that have afflicted our most vulnerable citizens. He did none of those things.

[English]

On the economy, I note that this is a tired 20th century budget when what we needed was a budget allowing Canada to compete and prosper in the highly competitive world of the 21st century.

We needed a budget containing an economic thrust as outlined by the Leader of the Opposition in a recent speech to the Ottawa branch of the Canadian Club. Such an economic thrust must include policies to make Canadian taxes internationally competitive, as well as policies driving research, commercialization, access to higher education, and a push for greater access for Canadian goods in overseas markets.

What did we get? While competitor countries like Australia have forged ahead with broad based reductions in personal and business taxation, yesterday's budget had no broad based tax cuts at all. What it did do was maintain last year's broad based income tax hike.

While countries like the United Kingdom set ambitious targets for research and development backed by powerful tax credits, yesterday's budget provided only token support on this front while slashing support for universities.

While other competitor countries provide generous funding for students and pursue talented immigrants aggressively, what did we see in yesterday's budget? Nothing at all for undergraduate students and nothing significant on immigration.

While Asia-Pacific countries have no fewer than 186 bilateral trade agreements in force or under negotiation, yesterday's budget had nothing significant on this front, and the Harper government shows no sign of emerging from its domestic or, at most, continental cocoon.

The Budget

Hon. Monte Solberg: Mr. Speaker, I rise on a point of order. The member referred to the Prime Minister by name.

The Deputy Speaker: The member knows he is not supposed to do that.

Hon. John McCallum: It was inadvertent, Mr. Speaker, so I will withdraw it if that is your wish.

In any event, as I was saying, the government led by this Prime Minister shows no sign of emerging from its domestic or, at most, continental cocoon and seriously engaging the rest of the world.

These elements of our leader's economic plan were endorsed by a number of commentators, including an editorial from the *Globe and Mail*, from which I will quote briefly:

So far, the Tories have sent out precisely the wrong signals on the tax system. To pay for their flashy promise to trim two percentage points from the GST, they cancelled Liberal cuts that reduced the lowest personal income-tax rate to 15 per cent from 16 per cent.

Instead, the Conservatives hiked that rate to 15.5 per cent and reduced the GST to 6 per cent from 7. Income-tax cuts would be a far more effective tool for economic growth. At a time when Ottawa should be encouraging savings and investment instead of stimulating consumption, it would wrong-headed to cut the GST further to 5 per cent. Mr. Dion would rightly defer that plan, reduce income taxes, allow businesses to take faster writeoffs on equipment and introduce a tax benefit to ease the transition from welfare to work.

The editorial concludes by saying:

His economic prescriptions are welcome.

Sadly—

• (1025)

The Deputy Speaker: Order. The hon. member mentioned the Prime Minister by name and he did mention his own leader by name. He cannot do indirectly what he is not able to do directly. He has been corrected twice. I hope we do not have to do it a third time.

Hon. John McCallum: Mr. Speaker, I guess I am not allowed to do that even when I am reading. I will refrain.

Sadly, the government does not get it or does not care. Maybe the government thinks the rest of the world owes Canada a living. Or maybe the Prime Minister does not understand the need to invest in an uncertain future when times are relatively good. Or maybe he simply does not care because such investments require a time horizon extending beyond the next election.

[*Translation*]

This budget also does not contain a long-term plan to protect the environment. It decreases our financial commitment to the clean and sustainable production of renewable energy by reducing it from 5,500 to 4,000 megawatts.

Tax breaks for new tar sands development projects are maintained until 2015.

Improving the water quality of our lakes and rivers is slowed down.

Assistance to compensate citizens for energy retrofits is replaced by mere tokens that bring the cost of reducing our consumption to thousands of dollars per tonne.

Funding for our provincial partners is cut in half.

And to top it off, the budget does not contain a single measure to force polluters to pay when they discharge pollutants into the atmosphere. In the absence of a comprehensive plan, the incentives for cleaner automobiles do not go very far.

We already knew that our Prime Minister is about the only economist on the planet who believes that cutting the GST is more beneficial than reducing income taxes.

Is he also the only economist who does not recognize the need to put a price on carbon so that polluters will no longer be able to consider the atmosphere as a public dump they can use for free?

We will have the answer to this question when the government finally unveils its plan to fight global warming. But given the Prime Minister's record—he denies climate change and has made draconian cuts to environmental protection programs—until the polls lead him to think about it, I would not advise the House to expect much from this plan.

[*English*]

Budgets are not usually high on humour, but yesterday there was at least one humorous moment leading me to nominate the finance minister for the 2007 naivety award. Two days ago the finance minister declared, "We are going to resolve once and for all this continuing problem we have had, this bickering between governments in Canada about fiscal imbalance". Only yesterday he said, "The long, tiring, unproductive era of bickering between the provincial and federal governments is over". Well, not quite.

This new golden age of perfect harmony and bliss in federal-provincial relations lasted about one hour after the budget, at which time a red-faced angry finance minister was seen on national television in bitter debate with Premier Danny Williams of Newfoundland and Labrador. Said Mr. Williams in one of his milder passages, "Newfoundlanders and Labradorians are feeling an intense sense of betrayal here by this government".

Saskatchewan's premier called the budget a betrayal of the Conservatives' promise.

Not that betrayals of promises are anything new to the government. Think income trusts. Think capital gains tax reductions. Think health care waiting times guarantees. And now there is another one: think Saskatchewan, and Newfoundland and Labrador. Within minutes or hours of the budget speech three other provincial governments, British Columbia, Nova Scotia and New Brunswick, made comments that can charitably be described as unflattering.

So much for the finance minister's much vaunted era of peace. If this were another age, the finance minister's peace messenger would likely have returned to finance headquarters strapped to his horse and riddled with bullets.

The Budget

More seriously, does not this near instant evaporation of harmony in the face of the government's restoration of so-called fiscal balance reflect the failure of the policy? Balance connotes peace and stability; balance as opposed to imbalance; peaceful, stable. But a fiscal balance instead brings anger and unhappiness. Maybe what was achieved yesterday was something other than balance, or maybe the concept itself is without meaning.

The finance minister hopes that his failure to keep his election promise that no province would be made worse off could be masked by embellishing his increases in other transfers to the provinces. He took \$250 million from the billions of child care money he decided not to give to the provinces and called it an increase in the Canada social transfer. He cancelled the \$3.5 billion that was intended to go to the provinces for labour market partnership agreements last year but brought back \$3 billion to the exact same program and called it a solution to the so-called fiscal imbalance.

He has extended the gas tax money for Canadian cities, a measure that the Canadian Alliance originally opposed when the Liberals made it law, and claimed it was \$2 billion in new money for the provinces. He did similar things with other programs including those aimed at clean air and climate change. All told, over half of the \$39 billion claim is nothing new, and this from a government that promised a more open and transparent budget process.

Let us look at spending. I am pleased that after seeing this budget we can all expect that Conservative members of this House will stop griping about the spending habits of the previous Liberal government. Andrew Coyne, again not traditionally a great friend of Liberals, said in the *National Post* that with this budget, the member from Whitby "officially becomes the biggest spending finance minister in the history of Canada". He went on to say that the Conservatives have now raised spending by \$25 billion in two years.

• (1030)

This is made worse because it is yet another broken election promise. The Prime Minister promised to limit the rate of the federal government's growth to population growth plus inflation. That is about 3%, or approximately \$5.5 billion per year, not \$25 billion over two years.

To conclude, this is a budget without merit, a budget which the Liberal Party is proud to oppose. Therefore, I move:

That the motion be amended by deleting all the words after the word "That", and substituting the following therefor:

this House condemns the government for a budget that does so little with so much, failing to look beyond the next election to the next generation and failing to tackle Canada's 21st century social, economic and environmental challenges by ignoring the difficult circumstances of the most vulnerable and disadvantaged citizens; by paying only lip-service to Aboriginal peoples; by providing no broad-based income tax relief for ordinary middle-income Canadians, and particularly by not reversing the personal income tax increases imposed in last year's budget; by not pursuing greater Canadian economic competitiveness and innovation; by offering no direct support to post-secondary undergraduate students and only a pitiful amount for early learning and child care; by ignoring the imperatives of a clean and sustainable environment, including the Kyoto Protocol on Climate Change, advancing no significant new measures to deal with greenhouse gas emissions and other environmental priorities in a coherent manner; and by resorting to misleading presentations of budget figures, including gross exaggerations of increased federal transfers to provinces and other orders of government.

• (1035)

The Deputy Speaker: The motion is in order.

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, it is very interesting how the Liberals find it so hard to accept good news for Canadians. The member opposite is part of a party which so mismanaged Canada's equalization system, which brought the federation into fiscal imbalance but refused to acknowledge it, and which did not do enough on the environment even to stay even with our greenhouse gas emissions, and instead under that party's mismanagement, on our Kyoto targets we actually went backward 35%. The member opposite should be apologizing to Canadians for how badly those key areas of the Canadian economy and Canadian society were mismanaged and is instead continuing to misrepresent the situation.

The member is well aware that in fact tremendous investments are being made by this government in the environment. The budget sets the stage for the targets and the plan that will be announced by our environment minister very shortly.

I would simply ask the member, how can he justify the fact that his party when in government put this country into such fiscal imbalance that it has taken a tremendous effort by the new government to fix it, that his party so mismanaged the environment that we are 35% behind our Kyoto targets? How does he justify that? Will he apologize to Canadians for that mismanagement?

Hon. John McCallum: First, Mr. Speaker, as I mentioned to the hon. member on a TV show last night, her behaviour and that of her government on the subject of aboriginal people is absolutely shameful. If I had to point out the single most shameful act in the budget, it is to the aboriginal people. She had no answer last night and she would have no answer today because it was an absolutely shameful act for which there is no excuse. The motivation is clear. The Conservatives presumably think aboriginal people do not vote Conservative, and for good reason.

The biggest fiscal imbalance in this country's history was the \$42 billion deficit that the Liberals inherited from the Conservatives back in 1993. How dare the member speak of fiscal imbalance when she is a member of the party that bequeathed to us a \$42 billion deficit, which caused *The Wall Street Journal* to say that Canada was heading for third world status. The Liberals, as a consequence of that huge inherited fiscal imbalance, took many years to clean up that mess, to restore Canada's credit rating from a downgraded level that had been achieved by the Conservatives to AAA, and to leave the Conservative government when it assumed office in the strongest fiscal condition of any new government in the history of this country.

I do not know how she dares to speak of our creating a fiscal imbalance when it is that party which left a new Liberal government in a state of extraordinary fiscal imbalance but from which it recovered. I could go on, but I think there should be time for more questions.

The Budget

• (1040)

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, tourism is a major economic driver in many of our rural communities and urban communities along the border. The GST rebate for tourists has been cut. Does the member feel this will have a major negative impact especially on the economy facing rural communities along the border?

Hon. John McCallum: Mr. Speaker, that is a very good question. There is some substitute for that program in the budget. I have yet to figure out whether it is a good substitute.

What I can say is that it was a really devastating and stupid decision. When we were in government doing expenditure review, the bureaucracy presented us with that same option. We said no because it would have an extraordinarily negative effect on tourism to the extent that the money the government would lose by tourists not coming to Canada and generating tax revenue would be greater than the money saved by cutting the program.

I believe Canada is the only OECD country that does not have such a program. It puts us at an extraordinary disadvantage in the tourism industry. It is not as if that is the only blow to the tourism industry caused by the government. Because it has spared no opportunity to poke China in the eye, the Chinese, according to the media, are refusing to return our phone calls in terms of negotiating a tourism agreement which would see tens of thousands of Chinese tourists come to Canada. I do not know how many, but the Chinese typically do things in large numbers.

That is a double blow to the tourism industry dealt by the government. This is an industry desperately in need of help, which is encountering major problems and lack of jobs across the country. The government has dealt a double punishing blow to that industry.

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, there is no funding for post-secondary education, no funding for students to lower their tuition fees, no money for the most vulnerable on a long waiting list for affordable housing. There is no money to help ordinary families with their rents, no money for foreign aid and hardly any money for public transit. Instead of investing in ordinary, middle income, hard-working families, the budget is rich in corporate tax cuts.

Does anyone know which budget I am talking about? I am talking about the Liberal budget in 2004. I believe the hon. member for Markham—Unionville helped craft the Liberal budget in 2004. Therefore, why is the hon. member attacking the Conservatives for continuing with many of the failed policies of his previous Liberal government?

Hon. John McCallum: Mr. Speaker, my goodness, the tone of that question is somewhat different from that of her colleague. I apologize. Perhaps her colleague is a Conservative.

The hon. member does have a nerve because the statements she made about the 2004 budget are entirely inaccurate. I had a role in helping to shape that budget and I am proud of that budget because it was a great budget.

The basic problem is that all those good things that she is talking about, affordable housing, support for aboriginals, et cetera, were in our 2005 budget. Guess which party voted against that budget?

Guess which party brought down the Liberal government and brought that government into power which is exacting these cuts to all the programs that the member favours? It was the NDP that caused that budget, with all those social funding programs, to fall and which caused the Conservative government, with all its mean-spirited cuts, to come into power.

That member and her party should be ashamed of themselves for bringing Canada to the state we are at where, instead of having funding for social programs and green programs, we get the mean-spirited cuts of the Conservative government.

• (1045)

Hon. Garth Turner (Halton, Lib.): Mr. Speaker, I would ask my colleague, who is an esteemed economist, what his view is on the spending in this budget.

I believe \$236 billion will be spent in this budget, which is the largest amount of money ever spent by any Minister of Finance in history. Is this consistent with the Minister of Finance's background as a right wing, conservative ideologue, as a guy who has gone around this country from one end to the other saying that less government is good government and lower taxes are better taxes? Is this consistent with that man's philosophy or not?

Hon. John McCallum: Mr. Speaker, my hon. colleague has been a fantastic addition to our caucus. He has not been here that long but he has brought terrific insight with his economic ideas, his political instincts and his understanding of the behaviour, the frame of mind and the ideology of those who sit opposite us in the House.

An hon. member: It is sad.

Hon. John McCallum: Some things are sad but it is better to know the truth because that helps us advance our cause. The hon. member has been doing a great job.

The hypocrisy of the Conservative government and the minister has no bounds. His background is one of not just a member of the most right wing government in Ontario history, the Harris government, but on the extreme right wing in the cabinet of that government. He comes to power preaching the virtues—

The Deputy Speaker: Order, please. I am sorry but I must interrupt the hon. member.

Resuming debate, the leader of the Bloc Québécois.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, exactly five years ago yesterday, on March 19, 2002, this House refused to recognize the existence of the fiscal imbalance by voting against a motion introduced by the Bloc Québécois.

Since that date, we in the Bloc Québécois, with the Parti Québécois government of the time and the entire National Assembly of Quebec, have fought hard to achieve progress on this issue, one that is fundamental for Quebec.

Yesterday, for the first time, by proposing a first step toward resolving it, the federal government has supported recognition of the fiscal imbalance by taking concrete action.

The Budget

This is the unequivocal proof that a strong Bloc Québécois presence in Ottawa pays off for Quebec. This is especially true when there is a minority government. It also illustrates the difference between the Bloc and the other federal parties.

While the Liberals and Conservatives fight over who will take power in Ottawa, the Bloc is fighting to get powers back for Quebec. That is what makes all the difference. This is not an easy job; it has taken us five years to get the first step—and this is just the first step—toward a resolution.

This first step toward a resolution is why we are going to vote for the budget. We are going to do this because Quebeckers are the ones who will benefit from the progress made, and they have already been waiting a long time for it. As usual, we are going to be responsible and pragmatic.

Reality, however, demands that we say that there is still a long way to go to eliminate the fiscal imbalance.

The government and the Prime Minister have not honoured their commitment.

When the senator and Minister of Public Works and Government Services said on Sunday that the fiscal imbalance was going to be resolved once and for all, he was trying to deceive the public and his allies, Mario Dumont and Jean Charest.

When he said in his speech that the case had been heard and it was over, the finance minister was deluding himself. He has shown himself to be completely disconnected from the reality of Quebec and the reality of the facts. He was in fact immediately contradicted, not only by André Boisclair, but also by Jean Charest and Mario Dumont.

We are therefore not going to give up the fight. We sovereignists will never give up. We are going to continue our work to have the transfers for post-secondary education increased. We are going to continue to call for an equalization formula that takes 100% of natural resources into account, that is, all natural resources.

Most importantly, we are going to continue to fight for the essential thing, a fiscal transfer. Yesterday, on that essential point, no concrete progress was achieved.

The fight against the fiscal imbalance has been led by sovereignists. In 1977, René Lévesque was the last premier of Quebec to get a fiscal transfer. Lucien Bouchard fought at every opportunity to restore transfers to Quebec after Jean Chrétien's Liberals slashed them in the 1990s. It was Bernard Landry who created the commission on fiscal imbalance and who was successful in creating a very strong consensus on this issue in Quebec, but also in Canada. Here in Ottawa, were it not for the Bloc Québécois, the fiscal imbalance would not even be an issue.

We have made this an issue and we are very proud of this. Some people might be surprised at sovereignists working so hard to solve problems that are created by Canadian federalism, but there is nothing surprising about it. Quebec sovereignists believe that what is good for Quebec is good for the sovereignist plan. Sovereignists do not believe that the worse things are, the better it is. We act responsibly, in the best interests of Quebeckers.

There is nothing surprising about this, because eliminating the fiscal imbalance means giving Quebec its freedom. Because the only real, lasting solution to the fiscal imbalance is a fiscal transfer of the GST and tax points. What Quebec wants is its own revenues.

• (1050)

Yesterday, we were only paroled with conditions. Yesterday, the government only granted conditional revenues to Quebec, subject to Ottawa's goodwill. The past has taught us that Quebec is at the mercy of decisions made here. Everyone remembers the brutal cuts in transfer payments that took place in the 1990s, the cuts to equalization payments made since 2000, and the agreement on child care that was torn up by this government. No new independent source of revenue was granted to Quebec.

In choosing to present his budget in the middle of the Quebec election campaign, the Prime Minister of Canada decided to intervene and to influence the citizens of Quebec. We can not say strongly enough how callous and unacceptable it is for the Prime Minister to try to buy the votes of Quebeckers in this way.

Government members may think, in light of the remarks of Mr. Dumont and Mr. Charest, that Quebec has abandoned its demand for fiscal transfers. They are wrong. Because of the election, Mr. Charest kept a stony silence yesterday on the essential point: transfer of the GST and income tax points. He was trying to save face with six days left until the election.

However, we should remember that when he was leader of the Conservative party, he never stopped saying—quite rightly—that the solution lies in the transfer of tax points.

During the 2003 leaders' debate, he swore, hand on heart, that in his heart, in his gut, in his mind, he was firmly convinced that the solution was the transfer of tax points.

That was still the case a few months ago. Yesterday, his silence on this question was painful. He folded his arms and kept silent for campaign reasons. In doing so, he no longer qualifies for the position of Premier of Quebec.

The behaviour of Mario Dumont is more troubling. Yesterday, he, too, was silent on the matter of fiscal transfers. That is extremely troubling for a sovereignist leader, because a transfer of the GST and tax points would translate into independent revenues for the Government of Quebec, which Mario Dumont refers to as own-source revenues. I am certain that Mr. Dumont would not contradict me on that point.

More troubling still, Mr. Dumont demonstrated a selective recall of history on the issue of federal spending power. He called for a re-opening of the Constitution to entrench limits on that power.

I am very eager to hear the government's and the Prime Minister's answer to Mr. Dumont's request. The demand in the Séguin report was very clear: counter the federal government's spending power with an unconditional right to opt out with full compensation. That is our solution.

The Budget

The government has refused to do so. I can understand how embarrassing this is for Mr. Dumont. It is sad to see these two leaders of Quebec parties backing down because the Prime Minister has cornered them.

As we know, the Prime Minister wants to choose the questions reporters may ask. He wants to choose the judges and the immigration officials. Now he would like to choose the Premier of Quebec. I have news for him: it is Quebeckers who choose their premier.

I have more news for him: on March 26, there will be a new Premier of Quebec, the only one who did not back down yesterday, the only one who did not give up, the leader of the Parti Québécois, André Boisclair. But he will not be alone. All of us in the Bloc Québécois will be there for Quebec. That is how Quebec wins: with sovereigntists who stand up for it.

I want to finish by emphasizing that the Prime Minister did not keep his promise to eliminate the fiscal imbalance in the budget. He did not keep this promise, just as he broke his promise to offer Quebec a seat at UNESCO similar to the one it has in the Francophonie. Quebec does not have a seat at UNESCO; it can sit in and speak only when it agrees with Canada. When it does not, it is told to go away. That is not showing respect for Quebec.

When the government's Quebec members say that the fiscal imbalance has been eliminated, they are just showing once more that the interests they defend are their own and those of their government, not the interests of Quebec.

• (1055)

I therefore ask the Prime Minister and his government to cease their pre-election games and get down to work. It is time to do some real governing. Now is the time. There is a lot to do. The government needs to get back to work on the fiscal imbalance by proposing a tax transfer to Quebec and by increasing transfers for postsecondary education. It needs to re-balance the Canadian mission in Afghanistan. It needs to come up with an environmental policy based on polluter pays along with a territorial agreement and a carbon trading exchange in Montreal.

The government should also provide accessible employment insurance for workers and create an independent employment insurance fund. It should transfer moneys to Quebec and the provinces for social housing. It should institute an income-support plan for older workers to ease their way to a decent retirement. There is a lot to be done. We for our part will continue to provide solutions and to speak out responsibly every time and on every issue on Quebec's behalf and with its interests alone in our hearts and minds.

[English]

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I appreciate and thank the Bloc members for their support for the government's second budget. The budget demonstrates to everyone in Quebec that federalism works. It demonstrates that Quebec is far better off in a united Canada, as the House voted just a few short weeks ago. In fact, the budget delivers for Quebec.

In restoring fiscal balance, the government, the federation, will provide Quebec with more than \$15.2 billion in 2007-08, which

includes \$7.16 billion under the new equalization system, \$5.2 billion under the Canada health transfer, \$2.278 billion for Canada's social transfer, including additional funding for post-secondary education and child care, and \$413 million for infrastructure.

The province of Quebec will also receive \$350 million from Canada ecotrust for clean air and climate change. It will also receive \$70 million over the next three fiscal years to implement the immunization program to protect women and girls against cervical cancer. This government will also be supporting the francophone summit in Quebec City, with \$52 million over two years.

This is the way the federation works for Quebec. Does my hon. friend opposite acknowledge how greatly the federation has benefited the province of Quebec in the budget?

• (1100)

Mr. Gilles Duceppe: Mr. Speaker, first, it shows very clearly that under a minority government and under the pressure of some of the members of the Bloc Québécois, Quebec obtained something.

Second, we always have to wait on a decision made by Ottawa before doing the books because there is no precise mechanism, such as income tax points or GST points, to ensure that Quebec has the autonomy of deciding its own priority with its own money.

If we are supporting the budget, it is because there is \$3.2 billion on the table, but not on a permanent basis. We have to wait on a decision from the federal government. It could change. We have seen that in the past, but we are taking that money.

I am very hopeful that next Monday we will have a sovereignist government in power in Quebec, under André Boisclair. With that money, we will be facing the challenges of offering Quebeckers the services they deserve. We will be facing the huge challenges in health services and education. We will also be offering Quebec a real solution to stop the discussion about fiscal imbalance by making Quebec a sovereign country, and we will use that money to serve Quebec because it is our money.

[Translation]

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, this budget does nothing to narrow the gap between the rich and poor in Canada. This budget completely neglects the poor.

We are in a period of restructuring in the manufacturing sector. Thousands and thousands of workers are losing their jobs. This government is not helping them. This budget does nothing to help the unemployed. It contains nothing to restructure and enhance employment insurance.

How can the Bloc Québécois vote in favour of this budget and thereby abandon the unemployed in Canada and Quebec?

Mr. Gilles Duceppe: Mr. Speaker, my colleague raises a number of weaknesses in this budget. We are aware of them.

The Budget

However, Quebec will receive \$3.2 billion as a response to the fiscal imbalance. Let me be clear: this money is not being allocated in a satisfactory manner, since there is no permanent mechanism such as a combination of tax points and GST points.

That being said, a sovereignist government in Quebec could use this \$3.2 billion for social housing, narrowing the gap between the rich and poor, improving post-secondary education and improving health care.

Of course we will continue to fight on the issue of employment insurance.

The problem with the NDP is that in its view everything goes through Ottawa. That is where the problem lies. For example, as far as the fiscal imbalance is concerned, the NDP likes Quebec well enough, but not enough to say that 100% of natural resources should be included in the calculation because the NDP wants to protect its votes in Saskatchewan, and possibly in Newfoundland and Nova Scotia.

We do not have that problem. We do not have to establish our financial priorities based on all the Canadian provinces. We want our money, all our money. With this money we will be able to make Quebec a sovereign and prosperous country, where social justice will outshine the rest of Canada.

When we look at what the NDP has done in the provinces and what the PQ did when it was in power, there is no comparison. Saskatchewan does not even have anti-scab legislation, and the NDP was in power there for decades.

We can be proud, as progressive people, to have a party such as the Parti Québécois, to have a party such as the Bloc Québécois and to one day very soon have a country like the country of Quebec.

•(1105)

[English]

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Before I begin my speech, may I offer you, Mr. Speaker, some words of appreciation from those of us back home in Winnipeg and Manitoba for your 28 years of service to our country and to express our sadness that you have made a decision to leave this place, to leave federal politics to pursue other important endeavours. We know, after 28 years of service, that you have every right to make this decision and pursue other dreams, but it does leave us sad and wondering who will fill your big footsteps, who will serve as dean of the House in a way that commands the respect that you do, who will offer us the leadership you give to all of us in terms of political issues, spiritual matters and just sheer human compassion for everyone in our society.

We offer to you, Mr. Speaker, our sincere thank you, gratitude and appreciation for your years of service.

Let me start off this very important budget debate by indicating that I stand here on behalf of all of my colleagues in the New Democratic Party as proud Canadians determined to make a difference, to keep our country together, to pursue an agenda that ensures unity above all founded on the principles of human compassion and concern and to build a nation of sharing and caring

to ensure that the principles of equality of opportunity and condition are spread and enveloped everywhere across the country.

We stand very much today out of grave sadness and concern with the budget. We had hoped that the present administration would have learned from its first year in government, that it would have read the pulse of Canadians, that it would have found the real priorities of Canadians and reflected this in the budget. I know with the first budget Canadians were prepared to give the government leeway, to be somewhat patient in terms of results, but they are not prepared, after a whole year, to see such a wasted opportunity.

Canadians, without question, are being left more and more on their own and are feeling less and less secure.

It is interesting that 49% of Canadians believe they are just one or two missed paycheques away from poverty. It is an incredible statistic for a country as wealthy as Canada. Despite a growing economy and despite the fact that this is a land of wealth and possibilities, the gap between the rich and the rest of us is growing.

The point of the budget should have been to close that gap, to make life more fair and affordable for all Canadians. It should have dealt with the embarrassing situation of so many in this wealthy country living in absolute abject poverty and homelessness. It should have dealt with the fact that so many low and middle income Canadians are feeling a deep and profound sense of worry, fear and insecurity.

The average earnings of the richest 10% of Canada's families raising children is now running at 82 times that earned by the poorest 10% of Canada's families. This is up from only 31 times, 30 years ago. The after tax income gap has never been this high in at least 30 years and it has grown faster than ever since the late 1990s.

•(1110)

Let us look a little further. Only the richest 20% are making real gains from Canada's economic growth, with the majority of those gains concentrated in the top 10%. That means the vast majority of us, middle income and lower income Canadians, are being left out and left behind.

In some interesting research done lately, the Canadian Centre for Policy Alternatives tells us that ordinary Canadians are aware of this widening gap and that 85% of us want to do something about it. Canadians want their government to take action to close the gap to keep Canada and Canadians together.

Over the past decade when this gap was allowed to fester, widen and grow, we have had consecutive governments that have ignored this very fundamental issue. Whether we are talking about 10 years of Liberal governments or now a year and three months of Conservative government, the result is the same.

The Budget

Governments have avoided the problem. They have closed their eyes to the realities around them, turned away from people in need and ignored the most vulnerable among us. They took the easy way out, passed legislation and brought in budgets that tinkered with the situation, dealt with the fringes of the issues and touched the edges of the situation, but they never came to grips with the real economic and social realities happening in this country.

Governments failed to realize that in fact we were on a path in this country that was contrary to everything we know about our history, contrary to what built this great land, what kept us together and what urged our pioneers to go through such hardship in order to build this land.

We have ignored the fundamentals of cooperation and community, of compassion and concern, in order to let a few accumulate wealth and receive all the benefit. We have let governments cater to that sentiment. We have let governments build on this notion of survival of the fittest, this notion that perpetuates the idea that life is a jungle, that all we need to do is work hard and we will make it, and that everyone is given an equal chance.

That does not fit with the reality, does it?

I want to tell the House about a young man in my constituency, Jordan Scott, who recently wrote an article that has been acknowledged as an important essay and a contribution to the fabric of our community. He is 18 years old. He lives in my community, Winnipeg's north end. He lives in a community that is low income and primarily urban aboriginal, close to the heart of downtown Winnipeg.

He says there are a lot of problems, but first off we have to recognize that:

—the residents of the North End are hard-working, upstanding citizens who, through no particular fault of their own, are marginalized because of race and ethnic background. Many of Winnipeg's urban Aboriginal people have moved here from Northern reserve communities, where unemployment reaches staggeringly high proportions in excess of 80%. Once here, they are unable to find jobs because of a lack of skills or education. Lack of work results in high poverty levels, which lead to frustration and despair. Often people turn to drugs and alcohol to escape the frustration in their lives. In turn, paying for these negative supports can and does lead some people to the criminal path, as the lack of work means of a lack of financial resources to pay for the bad habits they turn to as an escape. It is truly a vicious cycle, and once a person is caught up in it, it is very difficult to get out.

Let the words of Jordan Scott be a lesson to everyone in this place, particularly the government of the day, which likes to pursue matters of crime on the basis of absolute punishment and nothing else, without recognizing the root causes of this despair that leads to crime.

●(1115)

That is not to say we should not be doing everything possible to crack down on criminals and to punish those who have victimized others, but it also means that we have an obligation to understand what leads to such actions and what causes despair. And here we have Jordan Scott, 18 years old, who goes to Children of the Earth High School in my constituency, giving advice that is worth all of the rhetoric in this budget and all of the ink in the Minister of Finance's address yesterday.

In very clear language, Jordan Scott points out a path that we must take. It is so self-evident and so obvious that somehow all the powers that be have missed the point. He says:

Firstly, I would look for ways to improve education for children within the community.

Secondly, I would develop partnership programs with post-secondary institutions, and business and industry to target Aboriginal people...

Thirdly, I would work with community based programs to provide adequate facilities for drug and alcohol treatment and counselling.

He gives us a road map and ends by quoting Joseph Brant, who said:

No person among us desires any other reward for performing a brave and worthy action, but the consciousness of having served his nation.

Jordan Scott ends his essay by saying:

I believe that any action taken to help a community, or a nation, is rewarding in and of itself, for when the community prospers, all of us who are part of that community prosper. By helping others, we also help ourselves.

We can see what Jordan Scott is asking of government. He is not asking for a handout. He is not asking for government to give something to people who are down and out. He is asking for the means and the tools by which he and others can help themselves to be prosperous members of our community, to be contributing citizens in our society and to be responsible adults in a very complex world. He is asking government to take the scarce resources that we have by way of this budget and invest those resources in education, training, literacy, child care, counselling, and supports for youth at risk and single parent moms who are struggling to make a difference.

He will be very disappointed with yesterday's budget, because the government chose not to make those strategic investments that would actually make a difference. It chose instead to tinker around the edges, to scatter the money, and a lot of it, in a hundred different places, to sow the seeds over a vast territory but not on fertile ground. It chose not to concentrate that money in areas that would produce the biggest bang for the buck and reap the greatest rewards.

That should be the role of government. Is that not the job of government? To make a difference, to plant the seeds and to give money where it actually can produce other results? Is that not what we should be talking about here today? Should we not be talking about taking the money that is now going to corporations, \$9 billion worth of it, started by the Liberal government, \$9 billion in corporate tax cuts, and instead investing it in child care and education and housing?

As for this budget, what everybody is asking us is this: how can we not support a budget that has so much money? Let me tell members how. We cannot support a budget that does not make a real difference in the lives of Canadians.

The Conservatives can point to this tax-back policy after they have put all of the available flexibility and all of the surplus dollars against the debt, basically, without coming back to this place for any kind of input, which is something they demanded when in opposition. We remember how they belittled and belaboured the point about lowballing, a concern we shared.

The Budget

The fact is that the Liberals continually lowballed the surplus and then, without due consideration for parliamentary process or checking with the people of this country, just let that money go against the debt. It was pretty galling to sit here and listen to the Liberal critic for finance talking about vision, long term planning and ideas and imagination when he was part of a government that for 10 years took every bit of flexibility and surplus and put it against the debt without checking to see what the priorities of Canadians were.

• (1120)

Today the Liberals talk about the short-sightedness of the government. The Liberals, over 10 years, took \$80 billion in unanticipated surplus, which is beyond money that goes against the debt, I remind members, and put that against the debt. Even though it is raining in this country, they would not fix the roof. Even though people are suffering, they would not help Canadians to help themselves, not at all.

In this budget, as we know, the gap is at its biggest when it comes to aboriginal people. I have talked about Jordan Scott and his pain at seeing a government that does not recognize what is staring it in the face: the obvious way to help people help themselves so they can reap all kinds of benefits down the road.

This budget is invisible when it comes to women. It is a perfect example of the government going forward one little step and then going back two. What did the Conservatives do? They took money from the women's program. They put a bit back. They added a little to it but nothing that would make up for what they did to destroy a program that actually advances the equality of women in a country that should be embarrassed by the fact that the average woman in this country makes \$24,000 a year.

I ask them to tell me how that woman who is in the first tax bracket is going to get any of that money for the child tax credit. Is that woman going to get any of the supposed advantage from any of this tax-back policy? Nada. Nothing. No way. This budget does not address those who need it most.

That money, that \$310 per person that goes to all families, including those making a million dollars, could have been pooled and invested in a program that would actually create real child care spaces for all those working parents who are desperately trying to find secure, quality places for their children.

An hon. member: We would have had it if you hadn't brought down the Liberal government.

Ms. Judy Wasylycia-Leis: That is something we are still focusing on after 10 years of broken promises by the Liberals and now they are hollering because they brought it in at the last dying days of their government and are blaming this on us.

I am sick and tired of Liberals blaming other people for their mistakes. It is time they recognized that I am not their mother. I am not responsible for their deficiencies. They ought to recognize the fact that they caused this problem, and they have a great deal of explaining to do to Canadians for breaking a promise four elections in a row.

The other invisible group in this budget is obviously people with disabilities. The minister has brought in a tax credit. We do not deny that a tax credit makes a bit of difference. The tax credit promised in this budget is a tiny step in the right direction, but the vast majority of people living with disabilities do not have that kind of income to invest in a plan to draw on at some time in the future. They are dealing with the here and now. There is nothing in this budget that provides any kind of national income support program, or even hints at it, to deal with the real issues facing people with disabilities.

When we are talking about new Canadians, again, this budget pretends to deal with it by setting up an office regarding foreign credentials, but does it deal with the prosperity gap between new Canadians and immigrants and refugees coming into this country, the gap that is growing between them and those who have been here for a considerable period of time? Or the gap between them and immigrants who came to this country 30 years ago when in fact the gap was much narrower?

Statistics Canada has released a study on the growing income gap between new immigrants and Canadian-born people. The report examined the financial situation of immigrant families, assessing their economic condition and the extent of their chronic low income and impact of changes in education and skills, and found in fact that low income rates among immigrants during the first year in Canada were "3.5 times higher than those of Canadian-born people". There is a gap here that has to be addressed.

When I look at my constituency, which is one of the most ethnically diverse in the country, and when I talk to the Punjabi community or the Filipino community and hear their frustrations at not being able to get jobs and decent incomes in the areas for which they have training, experience and commitment, it drives me crazy that after 13 years of Liberal and Conservative governments we still do not have a way to recognize their experience and their credentials and ensure that they have access to good paying jobs.

• (1125)

From start to finish, the budget does not address the prosperity gap. It does not build a nation founded on the fundamental principles that built this land: cooperation, compassion, caring and sharing. In fact, it is very heavy on rhetoric. It has a lot of ink about families and working people but when it comes to actual expenditures and budgetary measures, the prosperity gap widens.

As my time is up, I would move:

That the amendment be amended by adding immediately after the words "orders of government" the following:

and this House further condemns the government for increasing the prosperity gap between very wealthy and ordinary working families by continuing the previous government's obsession with corporate tax reductions and failing to address the increasing costs that working families face every day.

The Deputy Speaker: The subamendment is in order.

Questions and comments, the hon. Parliamentary Secretary to the Minister of Finance.

The Budget

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I would remind the NDP and my hon. colleague that budgets are totally about people. This budget has made an enormous investment in people, including, with the last budget, over \$9 billion to clean up our environment, which is our children's heritage and it makes a better life for all of us.

This budget increases education funding by over 40%. This amount will increase every year by 3% under this budget.

This budget supports low income Canadians with families by giving them a \$2,000 tax credit for each of their children.

This budget will take over 200,000 additional Canadians completely off the tax rolls. This is in addition to the 655,000 Canadians who are off the tax rolls because of the last budget.

This budget helps women and girls by committing millions of dollars to a vaccination program to protect against cervical cancer.

This budget protects seniors and increases the money they will have in their pocket.

This budget eliminates so many of the barriers for people who want to get off the welfare rolls and climb the welfare wall into employment.

This budget is about people and it helps people. It contributes to a better life, not only now but in the future. I ask my hon. colleague to reconsider her support and support this budget which is for the people of Canada.

• (1130)

Ms. Judy Wasylycia-Leis: Mr. Speaker, the parliamentary secretary brings a lot of commitment to this whole process.

Although we cannot support the budget, I do recognize that there are some aspects to it that are important and do make a difference, some of which we as New Democrats have fought for.

I want to mention that I raised in the House the fact that the credit for bus passes, which only applied to monthly users and unfairly discriminated against those who purchased weekly bus passes, had to be changed and the government did that.

I want to recognize that there is some money for education in this budget.

On the child care front, it is still dismally addressed in this budget with \$1 billion cut before our eyes. The government did take the little bit of money it had set aside for business created day care, which was \$250 million, and is giving it to the provinces so they can create spaces but that is a drop in the bucket.

What is important to say, which I said in my letter to the minister before his budget, is that we need more than tinkering. We need more than this usual small-minded tax cut for every ill. As I said in my letter:

After more than a decade of short-sighted tinkering around the edges, the time has come to again strategically leverage the competitive advantages that we have and to seize the opportunity to create new ones.

That is missing in the budget.

If we go through the budget we see nothing on housing. It has no housing strategy and no national transit strategy. It has nothing on employment insurance and does not establish a \$10 minimum wage. It has no poverty reduction strategy. It has no plan to end student debt. We see no cancellation of the corporate tax cuts. It says nothing about pharmacare, home care, long term care or improved access to health care for aboriginals. It has nothing for coordinated training of medical professionals and it has nothing for catastrophic drugs for the Atlantic region.

The budget provides no significant new money for aboriginals. We see only one-quarter of the money we wanted for child care. We see no money for autism. We see no ban on bulk water exports. We see nothing for the pine beetle infestation. We see nothing for seniors and no increase in OAS. We see no action on veterans. We see nothing for forestry, FedNor, ACOA and western diversification.

All the rhetoric in the world will not cover up the fact that this budget is severely deficient when it comes to meeting the needs of average Canadians, working people, middle class families, ordinary folks, everyday men and women who have worked hard to make this country what it is.

We will vote against this budget unless the government comes to its senses.

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, let us get some honesty here. The hon. member knows very well that in the 2006-07 budget the Minister of Finance and the Prime Minister committed \$200 million for 2006-07 and 2007-08 to the pine beetle infestation. The hon. member knows that so let us be honest with the people who are watching this program.

Speaking of honesty, I want to touch on the child care issue to which the member spoke. The myth that those members have been spreading is that somehow their institutionalized version of child care would be free for every family in the country. This is nothing but a myth. I think they are being dishonest with Canadian families when they spread that myth.

What they are not telling Canadian families is that their form of child care will only apply and be made available to families who live within large and medium sized cities like Vancouver, Winnipeg, Toronto, Edmonton and Calgary. What about the families who live in The Pas in Manitoba, in Winkler, Manitoba, in Steinbach, Manitoba? The member knows very well that the institutionalized child care system that her party talks about will not be established in these smaller communities. They know it cannot be. Why are they not being honest?

Our universal child care system provides \$100 per month for every child under 6 years of age in all of Canada no matter where the family lives, whether it be in The Pas, in Winkler, in Cluculz Lake, British Columbia, Nazko, Wells, Barkerville, out in the Chilcotins or in Anahim Lake. Every family in this country, whether they live in a remote rural area or a downtown city area, receives the universal child care. Canadian families need that. They do not need some program that will only provide day care or child care to families who live in the city.

The Budget

Why does the member want to discriminate against rural families and not provide them with child care and not support the universal child care program of the Conservative government that addresses the needs of rural families everywhere in Canada?

• (1135)

Ms. Judy Wasylycia-Leis: Mr. Speaker, the member has some misunderstandings about child care.

First, he should be clear that the New Democratic Party has not talked about providing free child care to everyone. We have talked about building a national child care program that provides high quality, accessible and affordable spaces and settings for children, and that includes spaces in remote communities in northern Canada, rural Manitoba, eastern fishing villages, the whole range.

The member needs to be absolutely clear about how this works. In the case of a province like Manitoba, the money that comes from the federal government goes to non-profit community organizations that establish day cares that are run by parent boards. We are talking about child care spaces in urban settings, yes, in rural Manitoba, in co-ops, in workplaces, for shift workers, child care for special needs, the whole range. We are not talking about institutionalized day care. We are talking about child care that is nurturing and ensures good care while parents work.

Seventy per cent of working women with children under the age of 6 do not have access to those spaces and therefore make precarious, uncertain arrangements for their kids which has them worrying all the time about their kids' safety. They are under constant stress about juggling work and family responsibilities.

The NDP's opposition to the budget comes with a determination to convince the government to have both a child care policy and family policy, not to take away from those people who choose to stay at home full time and who, yes, need to be acknowledged and supported, but at the same time to recognize the working parents with children who need to be cared for, loved, nourished and educated.

All the NDP is asking is for the government to put back what it took out of the budget, the \$1 billion that would have gone so far to create the kinds of settings and spaces that would meet the needs of children in Minnedosa, Winkler, The Pas, Winnipeg, in every city, town and village in this country.

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I would like to echo my colleague's comments about this House's respect for your contribution both to Parliament itself and to the democratic process, and to tell you that you will indeed be missed; thankfully, it will be many, many months down the road, but just to let you know that we do think so highly of you.

I am very pleased to lead the debate on budget 2007. This is a historic budget. It puts us firmly on the road to achieve a stronger, safer, better Canada to which we all aspire.

Budget 2007 addresses the priorities of Canadians. It restores fiscal balance with the provinces and territories. It protects and preserves our environment. It reduces taxes for hard-working families. This budget is about helping our country achieve its full potential. This budget is also about the principles and beliefs that

make us uniquely Canadian, principles and beliefs that this budget will help us to preserve and instill in our children and in the generations to follow.

Last fall Canada's new government introduced Advantage Canada, our long term economic plan to improve our country's economic prosperity and secure for all our citizens a quality of life second to none. Budget 2007 sets that plan in motion. The result is a strong Canada today and an even better tomorrow. It focuses on delivering positive practical and real results for Canadians and their families.

Advantage Canada commits to create five distinct advantages for Canada: a fiscal advantage, an infrastructure advantage, an entrepreneurial advantage, a knowledge advantage and a tax advantage. It is on these advantages that I wish to devote the bulk of my time today before turning briefly to other important parts of budget 2007. Budget 2007 proposes to take concrete action on all five advantages.

First is the fiscal advantage. Our goal is to create a strong foundation of good management on which to build sustainable prosperity. That means continuing to reduce debt, to do our part as the federal government to eliminate Canada's total government net debt in less than a generation. Budget 2007 will take us closer to this goal.

Canada's new government plans to reduce our national mortgage by \$9.2 billion this fiscal year. Added to last year's debt reduction of \$13.2 billion, that means a total reduction of \$22.4 billion in the first two years alone under our government's watch.

This government means business about tackling Canada's debt. As a result, the federal debt to GDP ratio will fall to 30% by next year, 2008-09. We are firmly on target to reach our objective of 25% by 2012-13.

In Advantage Canada we promise that because lower debt will mean lower interest payments, we will use interest savings to lower taxes for Canadians. We call this the tax back guarantee. Budget 2007 proposes to make the tax back guarantee the law of the land. It will also lead to some \$1 billion per year in further personal income tax relief for Canadians.

Advantage Canada also pledges to achieve an infrastructure advantage for Canada. We will create a modern, world class infrastructure that facilitates a seamless flow of people, goods and services across our roads and bridges, through our ports and gateways and via our public transit.

Budget 2007 makes a historic investment of more than \$16 billion over seven years in infrastructure. Including the funding provided earlier in budget 2006, federal support for infrastructure will be a total of \$33 billion over that period. By any measure, that is a tremendous commitment.

The Budget

• (1140)

Let us look at some of what that investment will deliver. To help fund municipal priorities such as roads, public transit and water, budget 2007 will transfer \$2 billion per year to municipalities from 2010-11 to 2013-14 by extending the gas tax fund. This is a total of \$8 billion toward municipal infrastructure. In addition, budget 2007 allocates \$6 billion to the new building Canada fund, investments in gateways, border crossings and public-private partnerships.

Turning to the creation of an entrepreneurial advantage in Canada, budget 2007 takes action on several fronts to build a more competitive business environment, especially for small businesses. We will continue our efforts to reduce unnecessary regulation and red tape by significantly reducing the number of tax remittances small businesses must file each year.

We will lower taxes to unlock business investment and open new market opportunities through a new global commerce strategy. We will work with the provinces and territories to eliminate inter-provincial barriers and promote a freer flow of people and goods within Canada.

Creating a knowledge advantage is another key to our success as a nation. Canada's new government recognizes that our people are our greatest asset and it goes without saying that human capital is critical to a successful national economy. Accordingly, budget 2007 will help create a workforce that is the best educated, most skilled and most flexible in the world. It invests \$1.3 billion to chart an ambitious new course for establishing scientific and technological leadership for Canada. It increases federal funding for post-secondary education by a full 40% and it invests \$500 million a year in training.

For families saving for their children's education, budget 2007 makes registered education savings plans, RESPs, more attractive by eliminating the \$4,000 limit on annual contributions. The budget also increases the lifetime RESP contribution limit from \$42,000 to \$50,000. The budget also increases the maximum Canada education savings grant annual amount from \$400 to \$500. That is our contribution to each family saving for their children's education. And there is more for families.

Families will also benefit through the actions in budget 2007 to create a tax advantage for Canada. As the finance minister noted yesterday, Canadians pay too much tax. They know it. We know it. We are doing something about it.

Budget 2007 proposes to reduce taxes for Canadian families and to make the tax rate on new business investment more internationally competitive. The working income tax benefit announced in budget 2007 will reward and strengthen incentives to work. More than 1.2 million low income Canadians will benefit from this measure.

Budget 2007 also proposes a new working families tax plan. This plan will end the marriage penalty, so-called, for single earner families. The budget proposes a new \$2,000 child tax credit that will provide parents up to \$310 in tax relief for each child under 18. More than three million Canadian families will benefit from this credit and 90% of those families will receive the maximum amount of relief.

Over 80% of relief provided by the working income tax benefit and the working families tax plan will go to Canadians earning under \$75,000. Some 230,000 low income Canadians will be removed from the tax rolls. That is in addition to the 655,000 low income Canadians removed from the tax rolls as a result of tax reductions in our 2006 budget. What this means is that many more low income Canadians will be better able to meet the needs of their families through this government's recognition of the challenges they face.

We will enact the tax fairness plan we introduced last year to provide over \$1 billion in additional tax savings for Canadian seniors by increasing the age credit amount and allowing pension income splitting.

On the business side of the ledger, budget 2007 will reduce the tax rate on new business investment to encourage investment, job creation and assist Canadian businesses to compete globally.

• (1145)

Manufacturing and processing businesses are a particular focus of budget 2007. They have faced difficulties of late given the strong Canadian dollar and rising challenges from international competition. To help them make the major investments needed to overcome these difficulties, budget 2007 proposes that they be provided with a special two year write-off for their capital investments and machinery and equipment from now until the end of 2008. We also propose to increase the capital cost allowance rate to 10% from 4% for buildings used in manufacturing and processing, and to 55% from 45% for computers.

We will improve tax fairness by tightening the rules that apply to the foreign source business income of Canadian companies.

We will also strengthen the Canada Revenue Agency's ability to deal with international tax evasion. We want a fair tax system for all Canadians.

Achieving these five advantages will make Canada a stronger country. However, we also need to make Canada safer. To that end, budget 2007 significantly enhances Canadians' security at home and ensures Canada plays an even more effective leadership role in world affairs in three key strategic areas: defence, public security and international assistance.

In the area of defence spending for example, budget 2007 proposes to increase environmental allowances for men and women of the Canadian Forces who are serving Canada in army field units. It proposes to create several new operational stress injury clinics for members of the military and their families.

The Budget

The budget also makes significant investments to ensure that veterans get better services, including through the establishment of a veterans ombudsman.

Canadians want to live in safe and secure communities. Budget 2007 proposes important measures to help prevent crime and ensure public safety. Among other important investments, budget 2007 proposes to allot \$64 million over two years to establish a new national anti-drug strategy with an emphasis on youth, prevention and treatment, and \$14 million over two years to combat the criminal use of firearms.

As Canadians, we take pride in our role of reducing global poverty and promoting international peace and security. Budget 2007 will increase the resources Canada's new government has already devoted to this international assistance. It starts with the establishment of a three point program to enhance the focus, efficiency and accountability of Canada's international assistance efforts.

Further, this year's budget confirms the Prime Minister's announcement of \$200 million in additional support for reconstruction and development in Afghanistan with the focus on new opportunities for women, on strengthened governance, enhanced security and combating illegal drugs.

The budget also invests an initial \$115 million in the innovative advance market commitment led by Canada, Italy and the United Kingdom to create a pneumococcal vaccine that could save millions of lives in Africa and developing countries throughout the world.

A stronger Canada, a safer Canada will help us build a better Canada. Budget 2007 proposes to invest in the things that make Canada great and reflect the values and beliefs that define us as a nation.

On the environment, Canadians want their government to ensure that we have a clean and healthy environment in which to raise their children. Budget 2007 takes action to preserve our country's natural beauty, clean our air and help reduce greenhouse gas emissions.

A key initiative is the Canada ecotrust for clean air and climate change which will provide \$1.5 billion to the provinces and territories for projects that result in real reductions in greenhouse gas emissions and air pollutants.

Budget 2007 provides a rebate of up to \$2,000 per vehicle to encourage people to buy new fuel efficient vehicles. The budget also introduces a green levy for gas guzzlers. It provides \$36 million over the next two years to help get older polluting vehicles off the road.

• (1150)

Canadians also want their governments to help members of our society who need it. That is where Canadian values shine through.

Budget 2007 focuses on initiatives to help and protect those Canadians who need it most. As I mentioned earlier, this includes the working income tax benefit of up to \$1,000 per family or \$500 for individuals to help people get over the welfare wall and strengthen incentives for obtaining and keeping a job.

The fact is, for a single mother struggling to get by, getting a job can mean losing 80¢ on the dollar through higher taxes and reduced

benefits. We want to help people over the welfare wall and help them achieve the dignity and independence that comes with a job.

Canada's new government also recognizes the challenges faced by those raising a child with a severe disability. Budget 2007 introduces a new registered disability savings plan to help parents and others save for their child's future when they are no longer able to care for their child.

As Canadians we are proud of our universal health care system and Canada's new government has committed to sustaining it. The Canada health transfer will increase by \$1.2 billion this year to bring to \$21.3 billion federal support of provincial and territorial delivery of health care as part of our ongoing commitment to the 10 year plan to strengthen health care.

Budget 2007 takes further action to strengthen and modernize the health care system: an investment of \$400 million for Canada Health Infoway to support the development of electronic health records that will reduce the chance of medical errors resulting from incomplete information and up to \$600 million for provinces and territories which have made commitments to implement wait time guarantees.

Finally, fiscal balance has been the subject of much debate over the last while. Budget 2007 takes action to restore fiscal balance in Canada through a comprehensive and historic plan.

This plan also restores fiscal balance between taxpayers and government by cutting taxes and implementing our tax back guarantee so that the government only raises the revenues it needs to fulfill its responsibilities. It restores balance between governments by providing long term, equitable and predictable funding for shared priorities.

This plan will renew and strengthen the equalization program. Payments to receiving provinces will grow to almost \$12.8 billion in 2007-08, \$1.5 billion higher than in 2006-07. It will also strengthen and renew the territorial formula financing program.

It will deliver greater fairness through a commitment to equal per capita cash allocation for the Canada social transfer and the Canada health transfer, and increase federal funding to the provinces and territories for things that matter to Canadians, priorities such as post-secondary education, child care, infrastructure and the environment.

It provides long term, predictable funding for infrastructure with more than \$16 billion in new funding over the next seven years.

It will make governments more accountable by clarifying roles and responsibilities and respecting jurisdictions. It will strengthen our economic union by acting on the Advantage Canada plan.

The Budget

In short, it builds a stronger federation in which all governments come together to help Canada reach its full potential. That is what budget 2007 is all about, making life better for Canadians and their families.

As the Minister of Finance put it yesterday: "It is time to unleash Canada's full potential...Let us aspire to a stronger, safer, better Canada".

• (1155)

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, I note that there is no increased funding for the CBC in this budget and funding for the CBC has been savagely cut in the past 10 years by the former Liberal government. I wish the Conservative government would support the alternative budget proposed by the Canadian Centre for Policy Alternatives that would provide the CBC with \$20 million in start-up money and \$22 million for annual operating expenses. This funding would go a long way to assist the CBC to be our national voice. Without this type of funding, the CBC is destroying its own infrastructure to survive.

The board of directors of the CBC is meeting today as we speak and I hope the board would choose to maintain the famous CBC design department. There is tremendous historic knowledge and expertise in this department. Closing the design workshop would be to throw away a magnificent collection of props and costumes. This is the equivalent of throwing away 50 years of Canadian television history and it will further weaken the country's main hub of film and television production.

Is the government really willing to stand by and let this happen under its watch?

Ms. Diane Ablonczy: Mr. Speaker, the member will know that this government supports the role of the CBC in Canadian society and has continued to fund the CBC. I am sure the CBC appreciates the lobby that the member has just provided for it, but in fact, in addition to an organization like the CBC, this government has invested significantly in the culture of Canada.

We have dedicated, for example, \$30 million per year to local arts and heritage festivals. We are providing \$5 million to hire qualified interns in Canadian museums. We want to encourage youth participation in Canadian heritage sports. We now have a new national trust to help us preserve heritage buildings. We have increased funding for official languages minority communities. We are going to be significantly supporting the francophonie summit.

In many of these areas, where Canadian values, culture and heritage need to be proclaimed, dealt with, supported and encouraged, this government is moving strongly to do that.

• (1200)

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, during her speech the member opposite made mention of various groups or sectors that potentially will be helped by the budget. I heard nothing from her about the plight of tobacco farmers, nor did I hear anything yesterday from the Minister of Finance when he tabled his budget.

As the member opposite may know, there are over 600 tobacco producers, some in my riding and hundreds in the riding of Haldimand—Norfolk, the riding of the Minister of Citizenship and Immigration. Their industry has been crushed. They have lost market

share and are feeling the real financial crisis or pinch of product from offshore.

I would like to ask the member opposite, particularly in view of the innuendo or overtures which have been made over the past several months by the Minister of Agriculture and Agri-Food and the member for Haldimand—Norfolk, why is there nothing whatsoever in this budget to assist tobacco farmers whose livelihoods are very much jeopardized? Their average age is 58 or 59 and have an average debt load of about \$.5 million. They have been crushed and I would like to know why there was no relief for them in the budget.

Ms. Diane Ablonczy: Mr. Speaker, there was a great deal in this budget for business people such as were mentioned by my colleague opposite. In fact, processors are now able to write off their investment in new equipment in order to meet the competitive challenges that he mentioned.

There will also be, of course, a further write off for processing buildings. There will be a reduction in the tax compliance burden for small businesses such as this. There will be a review of Canada's competition policy because there have been some real stresses in this sector and other sectors as well.

Our infrastructure spending will help the flow of goods and services across Canada, which will help all businesses. We want a new global commerce strategy and we have invested in that in this budget. There are a number of measures in this budget that will help the very businesses that the member mentioned in his question.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I commend my colleague for her comments and share her enthusiasm about this budget. It clearly is a budget for hard-working, ordinary Canadians.

I refer, though, to the comments of the NDP member for Winnipeg North who made a very bold suggestion, which I believe is untrue. She suggested that this was a budget that completely left hard-working Canadians out of the picture.

When I look at the budget, there is a working income tax credit which is an incentive to assist those who want to get over the welfare wall. There is assistance for those who have disabled children. There is a \$2,000 family tax credit for each child under the age of 18.

I would ask the member this. Does she share the sentiment that this budget leaves out hard-working Canadians?

Ms. Diane Ablonczy: Mr. Speaker, the working family tax plan in this budget is specifically designed to recognize the needs and challenges that families in our country face and to help them to earn, to save, and to invest in their needs by reducing their tax burden.

The success that we have had in this is pointed out by the fact that we, in our first budget, took 655,000 low income Canadians completely off the tax roll. We have now taken another 230,000 Canadians off the tax roll in this budget. For those who were not paying taxes to begin with, who were the very lowest income people, we reduced the GST which will help them. So, our help for those who are most vulnerable, who need help the most, is very strong.

The Budget

In addition, I would point out that fixing the fiscal balance will now restore the provinces' ability to deliver services for the most vulnerable in our society, services that were gutted by the cuts that were made by the former Liberal government. Fixing the fiscal balance means more programs and stable funding for the programs on which the most vulnerable in our society in each of our provinces depend the most.

This is a budget that is very much about people, about supporting people, and about ensuring that our families can succeed and can meet their responsibilities in a way that helps all of society.

• (1205)

Hon. Garth Turner (Halton, Lib.): Mr. Speaker, my hon. friend campaigned with me, actually as a Conservative, in the winter of 2005 and in the first month of 2006. I recall at that time there was a lot of criticism within the Conservative ranks of the spending habits of the then Liberal Prime Minister and the fact that the Liberals had a budget that increased spending past the point of \$200 billion.

How does she feel now that her own Minister of Finance has increased spending by a substantial amount and now has the greatest amount of money being spent in any budget ever in history under the watch of a Conservative finance minister: \$236 billion? Never before have we seen that kind of spending.

We have had increases now in this budget which will double the rate of inflation in this year. Program spending alone, without even debt interest payment, will be in excess of \$200 billion in the fiscal year 2008-09. How does the parliamentary secretary justify that? How does that jive with the fact we were all slugging the former Prime Minister for spending far less money? How can she justify this particular expenditure and call it conservative?

The Acting Speaker (Mr. Andrew Scheer): The Parliamentary Secretary to the Minister of Finance has about 30 seconds.

Ms. Diane Ablonczy: Mr. Speaker, in fact, from 2005-06, when the government came to power, to 2008-09 spending growth will average 4.1%. That is almost a full percentage point below the projected rate of growth in the economy over that period. It is also one-half of the rate of growth of spending for the previous five years, which was 8.2% on average.

This year there were extra financial pressures because we needed to fix the fiscal balance. Almost two-thirds of new spending in this budget were transfers to other levels of government to restore the fiscal balance.

Setting aside the fiscal balance, the tax cuts put in place before this budget were almost twice as much as spending measures in this budget. We are reducing spending. We are getting it under control. It is under the rate of growth of the economy over the average term of our mandate. We are very proud of that.

Mr. Lui Temelkovski (Oak Ridges—Markham, Lib.): Mr. Speaker, I will be splitting my time with the member for Laval—Les Îles.

Once again this year I am pleased to speak to the Conservative budget. Last year I raised many concerns with the budget and I have the same concerns this year. This budget, once again, fails to provide an overarching vision for Canadians.

The budget fails to provide any measures for medium or long term sustainability for Canada. It seems to be a budget that is catering only to the partisan interests of the governing party for a federal election campaign, which Canadians do not want.

I am familiar with the issues that the finance minister addresses in the budget. My background for over 20 years was in the financial services industry. I have sat at the kitchen and boardroom tables with families struggling to make ends meet and families looking to maximize their investments. This background and awareness gives me a unique perspective on the Conservative budget.

The budget does not really do much to help most Canadians in an effective way. This is certainly one budget that tries to be all things to all people and is nothing to anyone in the end.

Before I begin commenting on the budget today, I want to provide some context. Last year's budget increased taxes. Beginning in July, Canadians found that they were paying more in income tax because of the marginal tax rate increase and the basic personal exemption decrease. Not only do we find a budget that is high in spending, but we find taxes for individual working Canadians are still excessively high. This makes the finance minister's second budget a tax and spend budget.

Many of us were optimistic and hopeful that the Conservative tax increases would be rolled back and with very high income tax revenues and large surpluses, Canadians might even find their taxes lowered significantly. This did not happen. The tax relief that the minister pretended to deliver yesterday is very little when last year's increases are factored in.

The first item I wish to address today is child care. It was with great fanfare that the government shelved the national child care program, which the previous Liberal government put in place with the provinces. Instead, Canadian families are receiving, after tax, less than \$100 per child per month. On the news last night, a family in Ontario was profiled and the parents said that they were able to buy a few packs of diapers with that money. This is not good enough for Canadians. How does this help single parent families? How does this help families that are struggling to make ends meet?

The government says that the budget is about families, but it has eliminated one of the best social programs in 50 years in terms of truly helping families. My daughter works part time at a child care centre. She witnesses first-hand the struggles families are facing and how they struggle to bear the great cost of child care.

Seniors were certainly one of the groups that was looking for some help from the minister yesterday. I often hear from seniors in my riding who are concerned about the sustainability of public pension plans, which they depend on for making ends meet.

The Budget

To be sure, some seniors will benefit from the measures in yesterday's budget, but let us remember that hundreds of thousands of single seniors, many of them women, will not benefit at all from the policies of the government. The Government of Canada's tax plan for seniors should be one that benefits all seniors equally.

Closely related, another matter that has greatly concerned seniors is the government's income trust decision of October 31. The decision to tax income trusts has wiped out more than \$25 billion in savings overnight and reversed the key Conservative campaign promise. Many seniors invested their money based on their promises and their faith in the Conservatives cost them thousands of dollars of their hard-earned savings.

● (1210)

I have repeatedly heard from many constituents that they are concerned about the state of Canada's environment. As I have mentioned before, residents in Oak Ridges—Markham have a particular interest in environmental matters for a couple of reasons.

First, my riding is the home of the beautiful Oak Ridges Moraine. This natural preserve is held dear to many in my riding and those who visit the area. Another reason why constituents are so concerned with the environment is their residency in the GTA. We seem to experience more and more smog days every year and longer and longer commute times to work in the city.

My constituents are disappointed. There is very little in the budget that will truly make a difference to the environment. The tax break on environmentally friendly vehicles is a good idea, along with corresponding tax penalties for large vehicles, but most important, there is no overarching vision or plan for how the government will address this serious issue.

I recall in last year's budget the minister announced that the government environmental plan was under development. Let us bear in mind that the environment was not an original priority for the Prime Minister, but as public opinion polls started to report that Canadians were increasingly concerned about this issue, he changed his tune. Still we have not seen any results and the legislation the Conservatives unveiled last fall went over like a lead balloon. In fact, the legislation was so bad it had to be sent to a special committee for improvement.

The government says that it is a party that wants to get tough on crime. The Liberal Party has taken a strong position on criminal justice matters so far in this Parliament and supports seven of the government justice bills, and the budget finds some strategies that target white collar and drug crimes as well as more money for CSIS and corrections. It is my view that rather than rhetoric, the government should get down to business and truly implement justice strategies that will make Canadians safer.

The Liberal justice plan provides safer communities to Canadians and frees up time for Parliament and its justice committee to carefully study the other bills in the government's justice agenda with which we have serious concerns.

Why does the government not accept the Liberal offer to fast track justice legislation originally offered last October as an attempt to get effective criminal justice legislation passed through Parliament as quickly as possible to protect Canadian communities? Why is the

government choosing confrontation and partisanship over safer communities? Canadians have not seen results now in two of the Conservative budgets.

I will continue to do what I can to bring the concerns of my constituents here to the floor of the House of Commons and pressure the government to act in the best interest of Canadians.

● (1215)

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, my colleague mentioned that this was an election budget, but I want to remind him, it was his leader who said, shortly after being elected leader of the Liberal Party, "We have to get back to power as soon as possible".

Be that as it may, the hon. member knows that on television this morning the leader of the NDP was asked repeatedly whether there was anything in the budget that he could support. Could he support helping working families with the \$2,000 family tax credit? Did he support providing extra help for parents with disabled children? Could he support something that would help the working poor over the welfare wall? He refused to answer the questions, despite repeated requests.

I will give the hon. member of the Liberal Party an opportunity to answer the question. Are there any parts of the budget that he supports at all?

Mr. Lui Temelkovski: Mr. Speaker, first, in terms of our leader saying that he would like to get back into government as soon as possible, Canadians are urging us to get back into government as soon as possible. They are not very happy with what is going on in Canada in the budgets that we are seeing.

Second, yes, I do see some good policies in the budget. Helping disabled children and those who are in need, absolutely I am in support of that. I support the item in the budget about mental illness as well.

● (1220)

[*Translation*]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, on behalf of the citizens of Laval—Les Îles, whom I am honoured to have represented in Parliament for 10 years now, I rise today to discuss the budget presented by the Conservative government.

After a year and two months, this government is still calling itself Canada's new government. This government is no longer new.

[*English*]

It is a government that has tried to walk and even run before it could properly crawl into the hearts, minds and pockets of Canadians.

The Budget

[Translation]

This government has preached responsibility. This government has preached fiscal responsibility and a competitive and efficient economic union. However, in this budget the government forgot about women, retirees and seniors. It forgot about our humanitarian commitments to the most underprivileged. This government did not present a clear vision for immigration and the role of newcomers to Canada in the building of our society, whose population is rapidly aging. This government has a hidden agenda.

The hidden agenda is the government's eagerness to please everyone while trying to steal a little here and there from the wallets of Canadians, without any thought to the real impact of these last-minute attempts to please.

This government has no vision of Canada's future, because it has not stopped to think about it. It is short-sighted. This budget does not unite Canada; it divides it.

In the newspaper headlines this morning I saw:

[English]

"Families frown on measures".

[Translation]

It was in the *Ottawa Citizen*.

[English]

This not so new government tells us it is investing in Canadians, preserving and protecting our environment and improving the quality of our health care system for all. Yet it ignores the plight of seniors who are falling through the cracks of Canada's medical system without proper home care for the elderly.

I congratulate the government in seeing the values of the new horizons program, which was established by the former Liberal government, and for expanding it. Let us not forget, and sometimes corporate memory is lacking in this chamber, it was the former Conservative government that attempted to deindex the pensions of seniors. If it had succeeded, that measure would have worsened the plight of seniors. This is a piecemeal budget that lacks direction, sound policy and practical options.

Missing from the budget is a more thoughtful and cohesive plan to ensure that the system responds to the needs of seniors, seniors as caregivers, seniors who are less and less able to provide for their daily needs.

[Translation]

In my riding of Laval—Les Îles, over 27,995 seniors, 15,000 of whom are women, are between 65 and 74 years of age. Thirteen thousand people are over 75 years old, and slightly over 3,000 people are more than 85. Only 920 of them are men.

Seniors have told me that they have to choose between eating and paying their electricity bills. Furthermore statistics show that 16% of women, compared to 13% of men, live in food insecurity, this difference being related to household expenses and family structure.

The majority of senior citizens are women, we all know that, women whom this government deems to be equal, as the Minister of

Canadian Heritage has said. The Minister of Finance should read the *Ottawa Citizen* to see just how equal senior citizens are in this fine country of ours.

[English]

Budget 2007 is certainly based on the Conservative government's unreal idea of equality by the creation of a partnership fund with a miserly \$20 million so there could be real action in key areas such as the economic status of women and combating violence against women and girls.

Where has the government been? Out of one side of her mouth the Minister of Status of Women says that women are equal, and the budget says that something is wrong with our economic status. So the government said to take \$20 million and go and partner, in other words beg other federal departments for top ups, to improve women's economic status and reduce partner violence. None of this makes any sense, not to me anyway, and I am sure not to the 52% of women who live and work in this country.

This budget further compounds insult and injury to women of this country. The government ignored the recommendations of the federal task force on pay equity created by our Liberal government. The task force recommended the expansion of employment insurance parental leave coverage. On September 18 last year the Conservative government said no.

The government in its last budget saw fit to cut \$45 million from the Canada Mortgage and Housing Corporation budget. Various studies emphasize the link between stable, affordable housing and women's personal safety and economic participation, yet the Conservative government went so far as to reduce by \$200 million in federal contributions those moneys over the previous year that would have helped to create new affordable housing.

According to the Canadian Research Institute for the Advancement of Women, abuse in the home can drive women and girls into the streets. The lack of housing puts women and girls at even further serious risk of physical and sexual violence and early death. That is Canada's not so new government. The Conservative not so new government wants women, single women, self-employed women, isolated women, women and girls who are sexually exploited, immigrant women, women who are seniors, to no doubt thank it for these handouts.

• (1225)

[Translation]

Minority linguistic communities also lose out in this budget. As the Liberal critic for la Francophonie and official languages, I feel that this government has constantly ignored Canadians in minority linguistic communities in this bilingual country.

By getting rid of the early childhood day care programs set up by the previous Liberal government the Conservatives have at the same time swept aside the principle of increasing the number of day care spaces in these communities, which was at the heart of our agreement.

The Budget

This government does not see Canada as a bilingual country. These measures, even though they sound praiseworthy, do not go far enough to achieve language development results. And certainly not in two years.

As the studies show us, it takes a minimum of seven years for a language to be properly developed in a child. I am talking about language development in environments conducive to such learning. Does the government really intend to fulfil its obligations under the Action Plan for Official Languages?

In committee I heard complaints from minority linguistic communities that are worried about not being able to offer services to parents and their children in their mother tongue.

We have heard about children whose mother tongue is that of the minority—French obviously—who have to go to an English-language high school because either the provinces are not fulfilling their obligations under federal-provincial-territorial agreements, or they are not allocating the funding necessary to ensure that the programs are maintained.

Budget 2007 allocates \$52 million over the next two years in preparation for the 12th Francophonie Summit, taking place in 2008. This budget is actually offering very little, indeed no incentive, for francophones in Canada who wish to move to minority linguistic communities or even to encourage newcomers from francophone countries to settle in areas of the country where French is the language of the minority community.

Thirty million dollars will not change the situation. Canada needs a strategy planned by its government that shows Canadians the importance of maintaining, promoting and developing pride in Canada, whose distinguishing characteristic as a nation is bilingualism.

That means that services and the possibility of learning both official languages should be accessible and available where Canadians are living and where newcomers choose to settle in this fine country of ours.

• (1230)

[*English*]

While there are some good initiatives in the budget, this is indeed a piecemeal approach to governing Canada. I was going to mention several of the good initiatives, but I see that my time is running out. I will just say that I will wait to see if the government does what it said it will do in the budget and clarifies the roles and responsibilities of the provinces under the labour market bilateral agreements. This cannot be underestimated.

I hope that part of the Conservative government's discussions, which I hope will also take place with business, will ensure that organizations proactively plan—

The Acting Speaker (Mr. Andrew Scheer): Order. Questions and comments. Resuming debate, the hon. Secretary of State for Small Business and Tourism.

Hon. Gerry Ritz (Secretary of State (Small Business and Tourism), CPC): Mr. Speaker, it is indeed a pleasure to speak to budget 2007, our second budget in a minority government situation. We have gone a long way in the past year and of course we are

looking toward the future again and dragging along some political parties that are either embarrassed or too ashamed to vote with us on some of these initiatives. Today we have heard folks talk about supporting certain parts of it but that it is a piecemeal approach and so on. That is what budgets are all about. Of course, nobody can agree with everything.

Mr. Speaker, at this point I should also say that I will be splitting my time with the Minister of Labour.

It is a successful budget. We already know that. Endorsements have been coming in from people from coast to coast to coast on what they like in the budget. Of course, in a lot of initiatives there are things some would like to see fleshed out even more. We will get to those. I think people are just absolutely shocked at the distance we have come and the amount of ground we have covered as a minority government and in the short time that we have been in government.

I congratulate the Minister of Finance and his team, the chair of the finance committee, all the members who sit on that committee and of course the Parliamentary Secretary to the Minister of Finance, the member for Calgary—Nose Hill. They have done yeoman service in putting together another very successful budget.

As have many members, I have been inundated by calls from the media at home as to what I like, what I do not like and what people are saying about the budget. Everybody is saying that the budget is very successful, with the exception of the premier of Saskatchewan who is looking for a hill to die on in the next election. He cannot seem to get a disagreement going with the leader of the opposition in Saskatchewan so he is targeting us. He has decided that he needs a fight that he can take to the people of Saskatchewan. The unfortunate part for him is that there is commentary and polls ongoing over the Internet and on talk shows and without exception, 60% to 66% of Saskatchewan people are saying that we did the right thing.

We followed through on our campaign promise which was to remove 100% of the non-renewable resources. We did that. We also said building on that, that no province would be left behind. There would be no more one-off politically stacked deals which the former Liberal Party finance minister made with certain provinces in order to try to stack the decks at election time. There are no more of those. We also said that it would take a consensus of the provinces to move ahead with changes. We could not put it in last year's budget. We gave them a year to try to come up with some sort of agreement as to how they wanted to proceed along those lines. All of us in the House know that they could not agree.

When it comes to the removal of the non-renewable resources, there are only a few provinces that have them to any degree that would make a difference and the rest have hydroelectricity and different things like that. They are saying they want it left as it is. What we did is we came up with the best of all worlds scenario by giving provinces like Saskatchewan the option of 100% exclusion of non-renewable resources in their fiscal plan, or 50% inclusion. That allows Saskatchewan to make that choice on a year by year basis, whichever is better for the bottom line and the people of that province.

The Budget

Knowing Mr. Calvert, the premier of Saskatchewan, as I do, he is more inclined to shut down the burgeoning resource sector, sit back, hold his hand out and say that somebody has to help him. That is the socialist attitude out there in that province.

Saskatchewan people are pioneer stock. They enjoy the fact that Saskatchewan is a have province now. We finally jumped over that glass ceiling, as it were, and we are now playing in the big leagues with potential, second only to Alberta and maybe even equal to Alberta, because we have not tapped the resources that we know are still there.

I have a real problem with the attitude in Saskatchewan that somehow we have to look to Ottawa to help us all the time. I for one am thrilled and I know most of the people in my constituency are thrilled to be part of that have movement, to start to open up those oil and gas reserves, the diamond mines, the uranium, the potash and everything else that we have going in that non-renewable envelope.

We know that we will be able to bring our kids home when we develop those jobs in Saskatchewan like we would and should under a different regime. I have been having a bit of a running battle with them. They are saying we betrayed our promise, that we out and out lied according to some of them. I am here to tell them it is absolute hogwash. It is all election jargon. It is all politicking. If the premier and his finance team and government relations folks want to die on that political hill in the next provincial election, I would be more than happy to help them carry the flag up that hill and plant it for them.

•(1235)

There are a number of other things that are just great for Saskatchewan. It is actually the largest winner when we break it down on a per capita basis. There is some \$230 per capita in new spending for the province of Saskatchewan alone. There is a lot of talk about Quebec always getting all the money, especially with an election in Quebec. The new spending in Quebec amounts to \$91 per capita. We can see the disparity. The problem is when we talk economies of scale. Of course the NDP does not want to do that; it wants to be very selective. It says we are not getting enough, but when we break it down per capita, we are doing extremely well. I know most people out there are thankful for that.

There is a huge movement in this budget on something for which we have been asking, which is the biofuel strategy. It is there and rolled out. Producers in my riding are phoning in asking when and how and saying that we should get rolling with this. They want to get shovels in the ground and concrete poured this summer to start moving ahead with ethanol and biodiesel.

There is a bit of a shortfall in Saskatchewan. Only the provinces of Alberta and Ontario moved ahead with their components on ethanol and biodiesel. Saskatchewan is sitting back. I heard the provincial minister of agriculture say the other day that as a province Saskatchewan cannot compete. What a defeatist attitude. I categorically deny and will not accept that ever.

The farmers in Saskatchewan are some of the best in the world, bar none. We know they are looking for a role outside the Canadian Wheat Board to move ahead with a lot of products, specifically high starch wheats for the ethanol industry. There is talk of some new

barley development. There is also the whole canola industry feeding into biodiesel. It is a win-win-win situation.

In our budget we came forward with a 10¢ on biodiesel and 20¢ on ethanol production subsidy, if one wants to call it that. Once we get rolling on that, we are asking the provinces to kick in their share to get close to what the Americans do. We need to parallel their system to make sure the factories and plants are built on the north side of the border.

We have done our share. Alberta has actually topped up its share. Ontario has done the same. They are buying market share right now. Saskatchewan is saying that as a province it cannot compete. It is time to get past that ideology, move on and say that we have rolled up our sleeves and are ready to do it. I know that people in Saskatchewan are ready to tell the provincial government to lead, follow, or get the heck out of the way. We know that an election will take place there very soon.

We are seeing infrastructure problems across the country. A few years ago the Canadian Chamber of Commerce identified some \$65 billion in round numbers of an infrastructure deficit, roads, bridges, sewer, water, all those types of things. We have doubled infrastructure spending in this budget. Last time we came up with a four year program that said we would spend \$16 billion. We have now upped that to \$33 billion, the largest input into infrastructure which we know is crumbling in this country. We are trying to head that off and slow it down. We have seen overpasses collapse in Quebec. We have seen boil water advisories in way too many communities on and off reserve across this country. We are addressing those things in this budget. Of course Saskatchewan will be a beneficiary of a big chunk of that cash as well.

The ecotrust turns the corner on getting on top of pollution as a whole, not just the Kyoto accord. I have always been one of the most outspoken folks saying that Kyoto does not get it done. It does not go far enough. It was good that it brought the environment to the front of our minds, but it did not get the job done. Even the Liberal wannabe leaders were critiquing the leader who did win, saying that as the environment minister he did not get it done. We are. The money is there.

The new Minister of the Environment, whom I am happy to sit beside in this great House, has done an excellent job. The minister before him started to lay it all out. I see the Liberals across are nodding their heads in agreement, saying it is great stuff. The member for Toronto Centre is enjoying public transit in Toronto. He takes the bus every chance he gets. I bet, if we were to check, he has bus tokens in his pocket right now.

Municipalities in Saskatchewan are quite concerned that the money has to flow through the province. The province of Saskatchewan is alone in charging a stipend, a percentage on these flow through moneys. It is a bit of a ripoff. The municipalities' only critique of this budget is why it cannot be sent to them directly. They are tired of paying the godfather in Regina and would like to see the money on their own desks so they could do more with it. That is the initiative we are looking to see.

The Budget

We are seeing the parties in the House playing politics with it. NDP members are saying they cannot support it. Today I happened to be on a talk show before and after the leader of the NDP and he went on with his predictable rant. I cannot understand when he says there is nothing in the budget for seniors. CARP, the Canadian Association of Retired People, has endorsed it saying it is a great step ahead and that we are moving the right way. The Canadian Federation of Independent Business is saying that it is great for small business and we are finally getting on top of that. That and tourism are my portfolios. I am happy to say those businesses are looking at this budget with a lot of favour.

There are credits for the disabled that have been a long time coming.

The former Liberal finance minister had to have help two or three times to get a budget done. It still did not cover off any of the things that Canadians wanted. Canadians gave the Conservatives a new mandate on January 23, 2006. I am happy to be here delivering the programs that Canadians are asking for in a way they can make use of today and tomorrow.

● (1240)

[*Translation*]

Ms. Louise Thibault (Rimouski-Neigette—Témiscouata—Les Basques, BQ): Mr. Speaker, we recognize that one small step has been taken, but the journey is far from over. I see that my colleague, the Minister of the Economic Development Agency of Canada for the Regions of Quebec, is smiling. I heard him on the air, so I can well imagine why.

This budget does not even come close to correcting the fiscal imbalance. Many of us were surprised to see that nothing at all is to be done in several areas. For example, they completely ignored poverty.

This budget mentioned poverty in the third world and in Afghanistan. That is all well and good, but we do not have to look far from home to find serious poverty. The budget does not say a word about it.

Moreover, there is nothing about employment insurance. My colleague from Chambly—Borduas could talk about this at length. There is no immediate assistance for older workers who, more and more often, are becoming the unfortunate victims of massive layoffs.

There is also another serious problem: the government is still encroaching on Quebec's jurisdiction.

I would like to hear what my colleague who just spoke has to say about that. I would like him to explain how he can defend the fact that this government is still spending money intrusively in a number of sectors, including training, education and research, to name a few.

I would also like to know why this Conservative budget sets no limits on spending power, even though they promised—

An hon. member: Oh, oh.

Ms. Louise Thibault: I would suggest that the minister wait until it is his turn to speak.

In order for something to be done to limit spending power—

The Acting Speaker (Mr. Andrew Scheer): The honourable Secretary of State (Small Business and Tourism).

[*English*]

Hon. Gerry Ritz: Mr. Speaker, I heard the member opposite talk about a small step forward. I prefer to think of it as an incremental step. As I outlined, it is a minority budget and minority budgets are a little tougher to deal with and wrangle these issues to the ground, as it were.

She knows full well that we are also starting 13 years back. We had a decade of drift. We are starting to get back on track. When I look at the record of the Liberal Party and the illustrious finance minister carving \$25 billion out of the health and social transfers to the provinces over the number of years that he was the finance minister, that was much more intrusive than anything we have ever done in a budget. We are actually putting that money back. We are ramping it up at 6% a year and ensuring that the growth in population is reflected in government transfers.

She talked about older workers. We have done more about the manufacturing sector in here. In fact, I saw the quotes from Perrin Beatty today saying that finally we are recognizing that manufacturing is in peril in this country. They are saying that we have gone a tremendous way in addressing that, with the expedited capital cost allowance and the capital gains changes we are talking about. The business tax structure that we are putting in place will be so much more small business friendly, as they said. We had a great recommendation from the CFIB.

We are addressing the so-called welfare wall to get people off the welfare rolls and back into the workforce with programs that are very inventive and exciting.

When she talks about not sharing enough with the provinces, I am not sure how that comes across when the extra moneys we are putting into training and education will be administered by the provinces, when the extra moneys we are putting into child care spaces will be administered by the provinces and when the infrastructure moneys that we are doubling will be administered by the provinces. I am not sure how she gets at the fact that we are intrusive when we are working hand in glove with the provinces to build a stronger Confederation and a much stronger Canada.

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): We have time for a short question.

The honourable member for Chambly—Borduas.

● (1245)

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, in the same vein as the comments of my colleague from Rimouski-Neigette—Témiscouata—Les Basques, I confirm that we support the budget for the reasons she mentioned earlier. However, there are certainly some major gaps and oversights in this budget.

The Budget

I would like our Conservative colleague to tell us why there is nothing to correct the injustice to seniors. Earlier, he claimed there was support from leading representatives of seniors. But that is not what I have heard.

I could talk about two situations facing seniors, particularly one concerning the guaranteed income supplement. The government owes \$3.2 billion to people who should have received the guaranteed income supplement but had not been informed of it. We know these people who have received nothing. There is nothing to correct this injustice to seniors.

Why did the Conservative government not address this injustice?
[English]

Hon. Gerry Ritz: Mr. Speaker, I would ask the member to check the record to see the endorsement from CARP, the Canadian Association of Retired Persons, which says that this is a great budget and that it is the first time it has had issues specifically relating to retired workers worked on.

To that end, we have made some significant changes in the tax code. A tremendous number of people will be removed from the tax codes altogether. From the last budget, topping up with this one, we have seen some changes to the termination of RESPs, which has been lifted from age 69, which the Liberals kept ratcheting back, up to age 71. This allows them two more years of great budgets like this to come to grips with lesser taxes on their pension packages.

We now have pension splitting for people which is something we have never seen before. It is a tremendous advantage.

The member mentioned the supplement. The last time I checked, the biggest problem with the supplement is that most seniors do not realize they must apply for it. It is not an automatic situation. They actually need to sit down and fill out some forms. Part of my purview, as was mentioned in the budget, is to get on top of that paper burden and ensure people understand what the federal government can and should do for them.

I welcome the member's intervention and hope he will help us work to those ends.

[Translation]

Hon. Jean-Pierre Blackburn (Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec, CPC): Mr. Speaker, I would like to begin this debate by talking about the current budget, which I would describe as responsible and credible. It is also a budget that strengthens both Quebec and Canada.

Why is it that we can say Quebec and Canada will be stronger after this budget? First of all, because we have resolved the fiscal imbalance issue. While the party opposite, the Liberal Party, refused to even recognize that notion, we of the Conservative Party, through the voice of our Prime Minister, recognize that a fiscal imbalance did exist in this country. Indeed, the federal government had a lot more money than the provinces, which was affecting their flexibility.

I am going to focus on the province of Quebec right now, since I am a member from Quebec. What we have just done today is hand over \$4.1 billion over two years to Quebec, which is additional funding to correct the fiscal imbalance. What is most interesting

about all this is the fact that the Bloc Québécois was asking for \$3.9 billion over three years. They have approximately 50 members here in the House of Commons. For 14 years, they have been making all kinds of requests, without ever getting any results, without ever being able to do anything themselves, because they are always in opposition. All they can do is complain.

In 14 months, with our Prime Minister and 10 members from Quebec, we have resolved the issue of the fiscal imbalance with this payment of \$4.1 billion over two years. I would like to be in Quebec Premier Jean Charest's shoes today. If \$4.1 billion over two years had just been added to my coffers, I would be very proud of the federal government. Indeed, that would give me plenty of flexibility to better meet the needs of the province of Quebec and its citizens.

I would like to talk about a few other aspects of this budget that I also find interesting. There is the issue of families. To the Conservative Party—as a member of this party—family has always been very important to us. Last year, the Prime Minister granted \$1,200 for children six and under, for child care. It is up to the parents to decide how to use that money, whether they prefer to have someone come into their home to care for their child or whether they want to send their child to a day care. It is up to the parents and they get \$1,200 a year for that purpose.

This year, we approached this from another angle to address children 18 and under in one family. A \$2,000 tax credit will be given for every child 18 and under to help families better position themselves to meet the immediate needs of their children. A \$2,000 tax credit represents roughly \$350 in cash that people will receive per child.

The other thing we are doing for families involves RRSPs. We know that we will increasingly need older workers since there are fewer and fewer people in the job market and there will be a labour shortage. In that context, if our seniors want to continue to work on a temporary basis, and want to continue to be active in society and become involved, the age limit for RRSPs is being raised from 69 to 71. People will be able to continue to contribute to their RRSPs and not have to withdraw from them until they are 71.

The other interesting aspect as far as family is concerned, has to do with workers. A \$500 benefit will help support workers in the labour market. We realize that these people have expenses to get to work, that they invest and need more help. In this context, we are giving a \$500 benefit to our workers.

Often little is done for truckers. We know that the previous governments decreased their help. When truckers are on the road and have to stop at a restaurant for food, only 50% of their meal expenses were deductible. We are going to raise this from 50% to 80%. This is another step in helping our truckers.

The Budget

As for the environment, some have talked about it. All manner of grand proposals were made. But when it came time to take action, they backed off. Our government decided to show that it is taking all this seriously. What are we doing about the environment? First, there is the \$1.5 billion Canada ecotrust established this year to improve our air quality and also to clean up our lakes, rivers and oceans.

We also have about \$4.5 billion in global environmental initiatives for this year.

• (1250)

One measure that may have particularly impressed citizens yesterday is promoting the purchase of energy efficient vehicles in order to reduce greenhouse gases and improve air quality. This will be accomplished by providing a credit of \$2,000 for the purchase of such automobiles.

Why are we doing this? If we do encourage Canadians to choose these vehicles when making a purchase, and we contribute to improving air quality, this in turn will encourage businesses to carry out even more research into renewable fuels and improving the environment in Canada. This measure shows that we are serious and that we want to push companies to really work harder in this area.

There is also something that not many opposition members probably even noticed. That is festivals. There will be an additional \$30 million a year for them. As a result of the sponsorship scandal, this entire area had been overlooked. People were asking us to do something to support festivals in the regions of Quebec. There are big events in Montreal, of course, but there are also festivals and other events regionally. These people were asking for government support. Thirty million dollars will therefore be earmarked for them. I know that a lot of people will be very happy to hear this. When we see the budget breakdown, we will see how it will all work out.

I am Minister of the Economic Development Agency of Canada for the Regions of Quebec, and when a budget is introduced, I almost automatically look at what it means for the regions.

There are two aspects. First, there is the manufacturing sector, that is to say, the companies that produce goods and services.

We just told our companies—like those in the forest industry, for example sawmills, pulp and paper and various manufacturers—that they will be able to write off the investments they make in new equipment over the next two years more quickly and that they will be able to do so in just two years. If these companies do it in two years, it will mean a return on their investment. This will be attractive to them. If they take action—and we believe that they will thanks to this measure—the regions of Quebec are going to see new investment in sawmills, pulp and paper plants and other manufacturing. This measure should also make our companies more competitive on foreign markets, more productive, and therefore more profitable. It applies to small and medium-size companies, of course, but also to large manufacturers.

The other aspect to which I wanted to draw the House's attention concerns our farmers. What are we doing more specifically for our farmers and for our fishers and small businesspeople?

The ceiling on the capital gains exemption had been fixed at half-a-million dollars per year for nearly 20 years. We have just raised

that to three-quarters of a million dollars. As a result, our farmers will now have an opportunity to transfer a farm to their children or other people who could take over the business. The same applies to fishers, which is important, and also to small businesses.

Farmers were complaining about the Canadian agricultural income stabilization program. They wanted changes. We told them we would make changes; and we have done that. We will replace the program, so to speak, with a support system for farmers. This year, as a matter of fact, we are adding \$1 billion in agricultural support.

Finally, there is the infrastructure program. People are more or less aware of what goes into an infrastructure program. First, there are big projects, such as major highways. We have set aside \$16 billion for those; altogether, \$33 billion over seven years to strengthen the infrastructure program.

In Quebec, more precisely, the federal government recently invested \$40 million to support Phase III. At present, many regional projects are waiting to start. No doubt, shortly after its election, the new government in Quebec will match our investment of \$40 million. That will enable us to support specific projects.

In substance, it is a good budget. It is not a show-off budget; it is serious and credible.

I understand very well why the Bloc Québécois has decided to support us. Indeed, they knew perfectly well that voting against this budget was not an option. At the same time, we have a right to question their presence here in this House of Commons, to the extent that, in addition, they confirm that they will support our budget.

• (1255)

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I would like to ask the Minister of Labour the following question. As he said, he is also responsible for economic development for the regions of the province of Quebec.

The minister bragged—and I can understand why—that this was important for the manufacturing sector, because the capital cost allowance will be accelerated for new investments. However, this applies particularly to big businesses, big companies.

He made reference to paper manufacturers and different types of industries. When we are talking about small and medium-sized enterprises, these are very big SMEs, very big industries.

He also talked about tax exemptions for capital gains. Once again, it is at the end of the cycle. Yes, the changes are made within SMEs and families. But it is disappointing that the Minister of the Economic Development Agency of Canada for the Regions of Quebec was unable to get new investments, new money from his government to help develop new industries, especially if we consider all the employees in the manufacturing sector who have lost their jobs in the past year.

The Budget

I think it would have been a good opportunity for the government to set aside new funds to help create new businesses, new SMEs, but this time smaller businesses.

I would like to hear the minister's excuses—or his reasons—to explain why he was unable to obtain these new funds.

• (1300)

Hon. Jean-Pierre Blackburn: Mr. Speaker, accelerated capital cost allowance over two years is primarily for big companies. That sector is targeted, but this measure is not just for big companies.

In my opinion, in the sawmill industry, if he were from the Saguenay—Lac Saint-Jean region, he would know that this measure is being very well received. Yesterday already, forest industry stakeholders were saying how much they liked this measure.

The other thing I would like to point out to the member, who is his party's regional economic development critic, is that investing an additional \$30 million in festivals gives my department more room to manoeuvre.

Furthermore, giving \$15 million to the National Optics Institute in Quebec City also gives my department room to manoeuvre. Who will benefit from these investments? The regions of Quebec.

As you know, I have implemented the Blackburn plan. The Blackburn plan includes six new measures to help the seven regions whose populations are shrinking to grow, to create new businesses and to diversify their economic activity.

Go ahead and laugh, but I am the one signing off on these files. Giving entrepreneurs a \$100,000 non-repayable contribution to help cover start-up costs is not small potatoes. This money comes from taxpayers and we want to manage it very carefully. That is why we implemented six new measures to support economic development in the regions of Quebec. Those regions are: Saguenay—Lac Saint-Jean, the Lower St. Lawrence, the Gaspé and the Magdalen Islands, northern Quebec, the North Shore, Abitibi-Témiscamingue and Mauricie, as well as 21 RCMs. We are supporting these regions because economic development's mission is to help vulnerable regions, regions with shrinking populations. I am proud of the six measures put forward in the Blackburn plan.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, the minister questions the Bloc's presence here and I understand that. We are the ones who force him to have measures to help people in Quebec and to correct the injustices against Quebeckers. This bothers him and will continue to bother him until we have a country called the country of Quebec.

In the meantime, he is still required to fulfil his duties. He said it is important for people to have money in their pockets. For example, for the unemployed, the amount of money deducted by the federal government is significant.

Some \$50 billion or more has been diverted from the employment insurance fund, when barely 40% of people who lose their employment are entitled to receive EI. The debt is being paid down with that money. It is the same story with older workers.

What is he doing about older workers who currently do not have any income and who have to resort to employment insurance? There

are people like that living in his riding. Why did this not show up in the budget? When he takes pride in—

The Acting Speaker (Mr. Andrew Scheer): The hon. Minister of Labour.

Hon. Jean-Pierre Blackburn: Mr. Speaker, I find the hon. member disingenuous. He knows very well that the targeted initiatives allowing older workers to learn new skills and return to the work force when they lost their employment were found by many to be incomplete. Therefore, the Minister of Human Resources and Social Development decided to create a task force that is currently analyzing whether there is anything else we can do to help workers who lose their employment around age 55 and who need a little support until they can take full advantage of their retirement. This issue is currently being examined and we should have their report by this summer.

I would remind the House that we are proud of this budget. It is responsible, it is credible, and it strengthens both Quebec and Canada. I understand why this does not please the Bloc Québécois and why they feel they have their backs to the wall. This is why the Bloc will support our budget. I must ask again what it is doing here in this House. It has not achieved any results in 14 years, while on our side, in less than 14 months, 10 members from Quebec have managed to correct the fiscal imbalance.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, I am very pleased to take part in this debate. It will allow us to clarify a number of things being spread around by the Conservatives and the other opposition parties about the position taken by the Bloc Québécois.

First, when the Bloc Québécois was created to represent Quebeckers in this House, it remedied a deficit, the democratic deficit that meant that the 45 to 50% of Quebeckers who had chosen the option of sovereignty for Quebec, who believed that they had no future in the Canadian federal system, were not represented in the House of Commons. This was an extremely significant crack in the democratic system. That is the primary source of our legitimacy. Anyone who does not recognize this is opposed to democracy and has no respect for the 50% of Quebeckers whose choice is sovereignty for Quebec.

The second source of our legitimacy is the fact that we are the voice of Quebeckers in this House. We are the only ones who have the independence that is needed so as not to compromise our principles as all the other parties have to do, setting aside the interests of Quebec, of Quebeckers, often to please lobby groups, and in particular those from Western Canada.

I believe that these two factors are a sufficient and complete explanation for the legitimacy of our presence here. Anyone who questions this might really wonder about what their democratic vision of a country like Canada is based on.

The Budget

In 1993, we made a breakthrough on that democratic deficit when we came here to Parliament, for what is hoped will be as short a time as possible. Yesterday, we made a partial breakthrough on the fiscal imbalance by making a number of gains that—and we must be very clear on this point—are insufficient, but are nonetheless significant enough that the Bloc Québécois is comfortable in supporting this budget.

There is nothing new in this, and it has nothing to do with the present state of affairs. Our position has nothing to do with the election in Quebec or the fact that a federal election is imminent. Even though the Prime Minister is going around saying that he does not want an election, he is still trying to provoke the opposition into bringing him down.

We are ready for a campaign. Everyone knows that in Quebec, our party is the one that is ahead in the polls. Our party is ready to go into an election. We have done this based on our game plan, which has been common knowledge for a year.

In the last federal budget, my colleague at the time, Yvan Loubier, who was the Bloc critic, explained it clearly. We supported the budget in 2006-2007 because it contained a promise to resolve the fiscal imbalance in the present budget. Since then, we have made known exactly what our expectations are. They relate to three things. Unfortunately, our first concern has been addressed only partially.

First, federal transfers to the provinces have to be restored to the level they were before the Liberal cuts in 1994-95 and 1995-96. Yesterday, a step was taken toward this goal, but it is still not enough. Everyone has seen how the university and college community reacted, from the presidents of universities to university and college professors and student associations. Transfers for post-secondary education and social programs have not provided the money that everyone was expecting, including the provincial governments. On this point, there is a weakness that will have to be corrected and that will be corrected, because the Bloc Québécois will continue to dog the Conservative government's heels to have transfers for post-secondary education and social programs restored to 1994-95 levels, which will take \$5 billion more for Canada as a whole and \$1.2 billion for Quebec. What has been announced is barely a few hundred million dollars, and that is quite simply not enough.

This is our first concern. The second deals with the power to limit and eliminate spending power in provincial jurisdictions, particularly in Quebec.

In the budget it was merely given lip service.

• (1305)

I would like to read, on page 141, where it says, “Budget 2007 reconfirms the Government’s commitment to limit the use of the federal spending power to—” But no provisions were made. Will this be a law? As Mr. Dumont asked, will the Constitution be reviewed to eliminate this interpretation that the federal government has spending power in provincial and Quebec jurisdictions? In 2006, we had exactly the same sentence. We got absolutely nowhere on that issue. It is just lip service. But that is not a problem, the Bloc Québécois will use this to force the government, the Prime Minister and the Minister of Finance to introduce legislation so that provinces

that do not want the federal government encroaching on their jurisdictions can opt out with no conditions and with full compensation. This is what managing and limiting federal spending power really is. This is what the Séguin commission asked for, it is what the governments of Quebec have asked for, and it is what the Parti Québécois government will ask for as of March 26.

This is why we are prepared to support the budget, as I mentioned. We will continue to strive to settle this issue once and for all, but we must also have a partner that can stand up in Quebec City and who is capable of making his demands known clearly. Yesterday we saw the reaction of the three party leaders. Only one of them said what was actually one of the solutions to the fiscal imbalance, and that is to limit and restrict the federal government’s power to spend in the provinces’ jurisdiction. It was Mr. Boisclair, the leader of the Parti Québécois, who said that.

We want to continue the fight on the fiscal imbalance but we need a strong ally in the Government of Quebec. So we hope that on March 26, the Parti Québécois can take up the torch of Quebec’s traditional demands concerning the restriction and limitation—and elimination in a way—of the federal government’s power to encroach on the provinces’ areas of jurisdiction. I reiterate this because we know what the solution is; it is simple. All it takes is the possibility to opt out unconditionally, with full compensation, of a federal initiative in areas of provincial jurisdiction. This is our second concern. As may be seen, we once again get just two lines, as in the previous budget.

The third issue unfortunately is completely missing from the budget. Members must bear in mind that that was not a gift we got yesterday. It is our money which is finally coming back to Quebec, money that the Liberal government had unfairly used for other purposes—and my colleague from Chambly—Borduas mentioned it—in particular to pay down the debt when there are plenty of other concerns and priorities in Quebec and Canada. This is the fact that it is not at all logical for Quebecers to pay taxes to Ottawa that are then transferred back so that Quebec can assume its constitutional responsibilities in health, education, post-secondary education and social programs.

We believe it would be logical—and I think that anyone with a bit of common sense and no particular biases, a federalist bias, will understand this matter of federal visibility in Quebec and in the provinces—that the part that corresponds to the transfers for health, post-secondary education and social programs should be returned to the provinces and to Quebec in the form of tax points. For example, transfer of the GST to Quebec was the suggestion made by the Séguin Commission. This would be simple to do because the Quebec revenue ministry already administers the goods and services tax as it does the Quebec sales tax. This should be transferred to ensure that Quebec now has the autonomy, the partial independence necessary to assume its own responsibilities in its own areas of jurisdiction without fearing that, as in 1993-94 or in 1995-96, a government, whether Liberal, Conservative or—why not dream—New Democratic, will decide to cut these transfers unilaterally and thus cause huge problems. You know how all the Canadian provinces are experiencing financial problems and have trouble balancing their budgets.

The Budget

When I see them saying in the document, for example, that the provinces, overall, had a surplus of X, you realize that about 80% of that surplus comes from Alberta. That is distorting the reality of the situation. In fact, when Quebec does manage to balance its budget, it is often because it has been forced to sell some assets. Mr. Audet was forced to sell \$800 million of assets last year to balance his finances. He is already forecasting a shortfall of \$900 million in his financial framework for next year. We believe that Quebec must have its own revenue sources that are controlled by the National Assembly, and that are not subject to the sword of Damocles, which is the unilateral desire of the federal government to do whatever it wants, in the belief that it knows better than others what they need.

We had another example. One might have said that it was under the centralizing Liberals, and so forth. But no, when the Conservatives took office, what did they do? They tore up the agreement on child care. That deprives Quebec of \$270 million as of this year. That is the reality of the situation. Once again, we are talking about an area of jurisdiction that belongs to Quebec.

● (1310)

The fight that we want to lead seeks not only to limit the spending power of the federal government; not merely to ensure that transfers are restored to the levels they were before the Liberal cuts—with indexation, obviously—but also to ensure that, within its jurisdiction, Quebec and the National Assembly can make decisions on spending, without having to account to anyone but the citizens of Quebec. As I have said, we will continue the fight.

As we heard this afternoon, the Minister of Industry and the Minister of Finance believe that it is a done deal. Well, it is far from it. Those who think it is a done deal are completely disconnected from reality. In any event, in my opinion, the Conservatives are disconnected from Quebec. They use a certain surface polish to try to show that we are a little different from the others; but when you scratch that surface, you realize that it is the same centralizing federal government. Red or blue, the national parties in Ottawa are all centralizing. When you read the budget carefully, it is full of intrusions into Quebec's areas of jurisdiction. One need only consider the Canadian Securities Commission. There will be a major constitutional problem if the federal government wants to proceed. That is very clearly spelled out in the Canadian Constitution.

Those who think that it is over are mistaken. In fact, no one in Quebec said that it was over. Everyone may have said that the step is more or less of interest. However, no one asked the Bloc Québécois to vote against this budget: not the three leaders of the political parties who are in the midst of a provincial election, not the leaders of the labour unions, not the business associations or even the student associations. The latter could have said to the Bloc Québécois that there is almost nothing for post-secondary education and that the members should vote against it. They understood that there was something in the increased transfers for students. No one has asked us to vote against the budget. Yet no one believes that it is over and that the fiscal imbalance has been resolved and is a closed issue. Far from it. We will continue the battle. Quebecers do not believe that the Prime Minister has kept the promise he made in the 2006 election.

Today, one step has been taken. It is a small step, but a step nonetheless. We must now continue forward. As I mentioned, in the coming months the government must make a commitment to increase transfers for health, post-secondary education and social programs. Not only do we need an increase in transfer payments but we also need a piece of legislation, a law, that will provide a framework for the federal government's spending authority. The government will also have to prove that it is willing to negotiate with the provinces—Quebec in particular—to transfer the tax room that corresponds to federal transfer payments for health, education and social solidarity.

For the time being, this small step is sufficiently valuable for the Bloc Québécois to feel comfortable in supporting the budget. However, we must realize that not only is it not over but that it is the beginning of a process initiated by the sovereignists. It is important to remember this. Personally, I had never before heard Mr. Dumont speak of the fiscal imbalance. Yesterday was the first time. However, it is true that Mr. Charest has pressured the federal government to resolve the fiscal imbalance.

While he did not use the expression "fiscal imbalance", Mr. Bouchard had also started talking about the problems caused by the unilateral cuts in transfers from the federal government to Quebec. However, it must be recalled that it was the Parti Québécois government of Bernard Landry that created the Séguin Commission, and that that commission achieved consensus in Quebec. I point this out because we are going to be hammering that theme. The Séguin Commission recommended three things: bringing transfers from the federal government back up to the level of before the cuts, taking inflation into account; circumscribing the federal government's spending power; and negotiating the transfer of tax room so that the Government of Quebec would have the independent revenues that it needs in order to meet its own responsibilities.

So it was Mr. Landry who took that initiative, and it was the Parti Québécois that took up the battle. Obviously, it was the battle of all Quebecers, and all parties in Quebec clearly understood this, and there was one unanimous motion after another in the National Assembly demanding that the federal government respond to Quebec's expectations. Yesterday, we got a first step toward a response. However, and I repeat, I can assure you that no one in Quebec thinks that this case is closed.

● (1315)

If the Conservatives think that, they will have a serious surprise in the next election. I can assure you of that.

I would perhaps like to conclude my presentation by pointing out that we are not at all satisfied when it comes to equalization payments. Certainly, for this year, the figures are attractive. We are talking about \$1.6 billion. That is not everything that Quebec had called for, however.

The Budget

I remind members that Quebec had called for calculation of equalization payments to be based on the 10 provinces—which we have achieved—and on 100% of renewable resources. I do not understand why the federal government, with its new structure, with a two-tier equalization system, two choices, two options, has not given the provinces that want it the option to get amounts based on 10 provinces and 100% of revenue from the provinces, including non-renewable resources. That did not take anything away from Saskatchewan, Alberta or Newfoundland and Labrador, but it allowed Quebec to get its true share of equalization payments. Remember that equalization is not paid by Albertans or Ontarians, but by Canadians and Quebecers. It is not a gift from the West. It is simply the concrete expression of what is written in the Canadian constitution.

You know that the spirit of equalization was distorted by the Liberals, but it is there in the Canadian Constitution. This is not something the evil sovereignists made up. It is a decision that was made by Canadians and Quebecers in order to ensure, throughout the Canadian political federation, that for an equal tax burden, the revenue is equivalent.

That also needs work. There needs to be an equalization formula that not only takes into account the 10 provinces, but also 100% of revenues, including non-renewable natural resources. That is the work that lies ahead of us.

As I said in the beginning, a year ago we announced that our decision on whether or not to support the Conservative budget would depend on the response, or the beginning of the response, to the fiscal imbalance problem. Yesterday, as I was saying, we were able to announce our support for the budget because of that very aspect.

However, it is clear that a number of issues were forgotten in this budget and the Conservative government will also have to answer for that in an election campaign. There is a lack of assistance programs for older workers. We do not need a whole new series of studies, as the Minister of Labour was saying. I believe the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities has done a number of studies on this issue. There was even a motion passed unanimously in this House before the last election. We now have to take action. We are talking about a program that costs practically nothing, between \$75 million and \$100 million. When we consider that the federal government's income exceeds \$230 billion, this is a drop in the bucket and yet necessary for decreasing the economic insecurity that a number of regions in Quebec are experiencing.

Take, for example, my own region. In my riding, in northern Lanaudière, there is a municipality called Saint-Michel-des-Saints. At one time, there were two big Louisiana-Pacific plants there, a sawmill and a waferboard plant. Louisiana-Pacific closed these two plants for reasons related to economic conditions, namely, the slowdown in residential construction in the United States. The unemployment rate in that municipality and the neighbouring municipality of Saint-Zénon is around 40% to 50%. Those people will be collecting the last of their benefits in August. If the Bloc's bill had been passed, they would have been able to collect for at least five more weeks.

Many of those workers are over 55. Their only option now, because there is no other employer, is to leave the region. This exodus of older workers, on the heels of the youth exodus, will happen because they will be forced to go somewhere else to try to earn a pittance. We could easily enable them to exit the labour market in a dignified manner with a certain degree of financial security that would allow them to stay in their communities. With just a little money, we could keep all of these communities alive. This is about dignity, a concept that has been thrown out the window.

There is nothing here about social housing. Many of the programs cut during the \$1 billion round of cuts have not been revived or have been revived in a way we consider unacceptable.

So there is a lot of work to do, and I hope nobody gets the wrong idea about the Bloc's support.

● (1320)

The Bloc's support will be limited, based on what we announced a year ago—and therefore no surprise—and based on what we read in the budget concerning transfers to Quebec for next year.

As I said earlier, much remains to be done. The fiscal imbalance issue is not resolved. I would like the Prime Minister and the Minister of Finance to know that it is not over. This is just the beginning.

● (1325)

[*English*]

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, while we appreciate the Bloc's support for this excellent budget that has been put forward by the government, I really think the Bloc members, to use my colleague's own words, are kidding themselves.

This good budget, and this good budget for Quebec in particular, is not the result of the work of the Bloc. It is the result of people who believe in the federation. It is the result of people who want to work together for a strong united Canada and that is why all citizens in all provinces will benefit under this new budget.

The member mentioned the desire to limit the federal spending power. We are talking the same language because the government believes that the federal government has areas of constitutional jurisdiction and it should be spending and looking after those areas. Provinces have areas of jurisdiction and they should be looking after those responsibilities.

Therefore, we agree with that, but what the member I think is talking about is for one level of government to make all the decisions with another level of government to provide the money. That is not the way it works. That completely tears at the concept of accountability. The people who make the decisions have to raise the money from the taxpayers who are affected by those decisions, so that there is real accountability.

The member mentioned funding for education and did not like the money for education. However, it is a 40% increase for education and that amount will grow by 3% every single year. The whole fiscal balance has been put now back on a principled long time reliable basis.

The Budget

Does the member not think that having principled long term reliable funding going into the province is not a good thing for the people of Quebec?

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, the parliamentary secretary's speech gives me the opportunity to remind the House of the Bloc Québécois' work. I spoke at length about the work of the Parti Québécois, the Quebec government and other parties in the National Assembly, but I forgot to mention the work of the Bloc Québécois. I did mention it briefly, but I would like to emphasize the fact that, if the Bloc Québécois had not been present in this House, no one would have ever said anything about the fiscal imbalance. How many times, on opposition days or during question period, did the Bloc Québécois call on the government to resolve this issue?

Still to this day, the leader of one party—the Liberal Party—refuses to recognize the existence of the fiscal imbalance. I understand very well that, from his point of view, there is nothing in the budget, because he does not recognize the beginning of a solution to a real problem. Clearly, he cannot see that.

With regard to post-secondary education, the expectations of the provinces and the education network were definitely not met. The provinces were asking for \$2.2 billion and the education network estimates that \$5 billion is needed to cover national needs for post-secondary education. Quebec requires \$1.2 billion. It is not even close. They are talking of a little over \$100 million. This is quite unacceptable and some work will have to be redone. I do not wish to frighten the Parliamentary Secretary, but I can hardly wait until the Standing Committee on Finance meets to prepare the next budget—that will start soon enough, as she well knows—to see the reaction of the education network, whether in Quebec or the rest of Canada, to yesterday's announcement.

With regard to spending power, the following is found on page 142 of the budget:

The Government will continue to further clarify roles and responsibilities, and will explore with provinces and territories ways to formalize its commitment to limit the use of the federal spending power to ensure respect for provincial-territorial responsibility.

That was also in last year's budget. Quite frankly, not much progress has been made in this area.

[*English*]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I would like to ask the member whether he agrees that aboriginal people are one of the big losers in this budget. The government not only cut the \$5 billion for Kelowna and the aboriginal non-smoking strategy. It took most of the money from the aboriginal languages program, ANCAP for aboriginal environmental programs, and a number of other programs. It cancelled all these programs and only put in this budget less than \$500,000 new funding for aboriginal people.

Does the hon. member agree that even though it is the largest spending budget in history, over \$39 billion going into equalization increases to provinces that have taxing authority, yet the aboriginal people receive almost most nothing?

• (1330)

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, I mentioned that a lot was left out of this budget. The member is right. There is nothing in this budget for aboriginal peoples, the first nations. It is unfortunate because these communities are experiencing special difficulties and need special support.

Once again, I can speak about my own riding of Joliette. In Manouane, there is an Attikamekw community with which I work. They have a great need for social housing. This year, for example, I believe they were able to build 15 housing units because there was a surplus in the program. However, they need another 50 housing units.

The birth rate may be falling in the rest of Quebec and maybe Canada—I am not familiar with the figures—but not in this community. Unfortunately, their budget is insufficient to properly house or educate their citizens, or to provide the tools needed to ensure an adequate level of health services.

We have all heard about the tragedies that occur. In our case, in the past few years five young people have committed suicide in that community.

We expected to see a major effort by the federal government, especially since it is the fiduciary for the first nations. It has a responsibility to assume. It is somewhat like employment insurance: it is clearly a federal responsibility. Unfortunately, there is nothing in the budget on that.

[*English*]

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, we have in Canada growing complaints about skills shortages, even though there are record high profits.

We have not really seen, in this budget, a Canadian literacy initiative that would fund new workplace and community programs that would strengthen adult skills in reading, writing and basic math. There is no workplace skills strategy that would provide financial support for innovative pilot projects.

There really are no labour market partnership agreements that would expand apprenticeship programs; literacy programs; workplace skills development; and support for immigrants, aboriginals, older workers and other employees who face labour market barriers. Nor are there training and education centre infrastructure funds that would support different apprenticeship training programs.

I also note that in Quebec this year there is a cut of \$213 million for child care. Quebec was supposed to receive, under the old funding agreement, \$269 million for child care.

What I do not understand, given that there is very little funding for apprenticeship programs, post-secondary education and child care, is how this budget could be supported?

The Budget

[*Translation*]

Mr. Pierre Paquette: Mr. Speaker, that is what separates the Bloc Québécois from the NDP, even though our outlooks on social justice are quite similar. Nonetheless, in our opinion, the key players, the major stakeholders in finding solutions to these significant social problems are the provinces, Quebec in particular.

We want to have transfers without conditions. Obviously we would prefer to have equalization transfers, or money sent to the Government of Quebec so that it can assume its own responsibilities, including a certain number of the problems that have been raised.

For example, literacy is not a federal government responsibility. The federal government has a responsibility to transfer money to Quebec so that it can have suitable literacy programs. The federal government has a responsibility to literacy coalitions. That is why we criticized the last fall's program cuts of over a billion dollars.

We have to work on resolving the fiscal imbalance so that Quebec has all the means necessary to deal with the problems raised by the hon. member.

In that sense, we support the budget, even though the initial response is inadequate, as I have already explained. Nonetheless, it is by resolving the fiscal imbalance, by transferring the tax base revenues to Quebec—the provinces that want to benefit from this will follow suit—that Quebec will have the means to deal with all the problems she has raised.

Social programs, learning and literacy are not federal government responsibilities. The government's responsibility is to properly redistribute wealth across the Canadian political federation, which it still has not done.

In my opinion, this will never happen because the federal government, regardless of its political stripes, will always want to have a stranglehold. There is still the good old-fashioned idea that Ottawa knows best, when in fact it manages practically nothing as far as social programs are concerned.

• (1335)

[*English*]

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, I will be sharing my time with the member for Glengarry—Prescott—Russell.

I want to start by addressing the fact that I personally feel this is the best budget that the people of Canada, and particularly the people of Alberta, have seen for a generation.

For far too long, we have suffered at the hands of a Liberal government that chose the privileged class over hard-working Albertans who work 60 hours a week to keep our province prosperous. For far too long, we Albertans have had to deal with Liberal governments that chose to pit one region against another for partisan purposes. For far too long, Alberta has suffered at the hands of fiscal mismanagement from successive Liberal governments that promised everything and delivered nothing. At the end of the day, they just did not get the job done.

Turning the page, however, today is a great day for Canadians. With the release of budget 2007, Canadians will finally have fiscal

balance. Thanks to Canada's new government, we have rectified Liberal negligence by providing a budget that has something in it for everyone. From families to farmers to seniors to military personnel, this budget leaves no rock unturned.

Canada's new government is giving back to Canadians. We are putting money back where it belongs: in the hands of hard-working Canadians.

In the province of Alberta alone, fiscal balance is being restored with over \$3 billion in 2007-08. Our government is giving provinces the resources they need to deliver the front line services that matter to all Canadians.

Finally, we have a government that respects the role of the Constitution and the role of municipalities and the provinces.

During my first term in office, I have had the privilege of knocking on many doors. One such door I want to tell a quick story about was in Redwater. I was talking to a nice young lady by the name of Carrie Fischer. When I knocked on her door, I asked if I could go in and elicit her support. She said certainly, but she had a message she wanted to give me first. I sat down at her kitchen table, across from her three young children, and listened to her talk about how she felt she had been mistreated for years by the Canadian system of taxation. She felt that as a married mother who stays at home to look after her children she had been penalized because her husband goes off to work.

I am proud that our Prime Minister has listened to those people sitting around kitchen tables. Hard-working families are the backbone of this country and Canada's new government recognizes this.

Families in Alberta and across the nation will enjoy a new \$2,000 child tax credit that will provide more than three million families with tax relief of up to \$310 per child. In Alberta, parents will save an estimated \$173.2 million.

Albertan families will also enjoy a new "working income tax benefit" of up to \$500 for individuals and \$1,000 for families. This will benefit Alberta workers, with over \$55.2 million going back into their pockets.

That is not all. Alberta residents will save roughly \$30.2 million with an increase in the basic spousal amount that will provide tax relief of up to \$209 to a supporting spouse or a single taxpayer supporting a child or relative.

Alberta taxpayers will also save \$13.5 million with an increase in the RRSP and registered pension plan maturation age limit from 69 to 71 years of age. This is well over \$272 million back in the hands of Alberta families alone.

The buck does not stop there. Canada's new government is just getting started.

Farmers and homegrown biofuel producers will also have their fair share of what it means to have a government that not only listens to their problems but also acts on those problems.

The Budget

One billion dollars will be committed to farmers for the improvement of national farm income programs. Of that commitment, \$600 million will go toward contributory-style producer savings accounts.

This is exactly what farmers in my area are asking for. In Westlock—St. Paul, we have some of the most progressive, advanced, hard-working farmers in the world. They feel they need a system like this. They feel that we need to make some of these changes to help get rid of the CAIS program and move on to a new style of program. This is exactly what they are looking for.

While there will be an additional \$400 million paid directly to producers to help address high production costs, Alberta farmers will receive roughly \$210 million of these initiatives. That is \$1 billion and \$210 million more than the Liberals ever gave Canadian and Alberta farmers respectively.

• (1340)

Homegrown biofuels producers will also be able to put their hands on the money, given the \$2 billion in incentives for renewable fuel production over a seven year span. A renewable fuels operating incentive program will bring stability, allowing the domestic ethanol and biodiesel industry to finally flourish and compete with national and international markets.

The program will provide 10¢ per litre for domestic renewable gasoline, ethanol, and 20¢ per litre for domestic renewable diesel production for the first three years. By bringing over 20 new world class biofuels facilities to Canada and creating over 14,000 new jobs in rural communities, this provides a new market for over 200 million bushels of Canadian grains and oilseeds.

I had the privilege this summer of going around my riding to many town hall meetings and talking to hundreds of different producers. All of them were very hopeful that we would not go just partway in the budget, that we would not just promise something, give a little bit of what was promised in the first year and 20 years later have it all doled out when it is too late.

Our producers wanted us to do it and to do it right the first time. I am proud to say that our Minister of Finance has heard that message loud and clear and our Prime Minister has endorsed it. These initiatives are exactly what our agricultural producers have been looking for.

I would be very remiss if I did not speak on one of the most pertinent issues in my riding: the men and women of our armed forces. It has been my biggest privilege as a member of Parliament in this first 14 months to serve and to have the opportunity to deal with many of the men and women from CFB Edmonton and from CFB Four Wing, Cold Lake. I have taken a lot of time to listen to what these men and women have to say to us and to what they have to tell their government.

I want to tell another quick story. When I was in Bon Accord during the campaign, I was knocking on doors. Like most politicians, I was a little nervous at the beginning. A man walked up to me and said, "Is that a politician coming up here? If it is, I've got something to tell him". He happened to be a sergeant in our armed forces, with over 20 years' experience. He was very perturbed. He said that we send our armed forces over there and give them

difficult missions, which they do not mind, and they do not mind being worked hard or being put in harm's way because that is why they signed up, but he said they do mind us not giving them the means, the tools and the equipment to do their jobs properly.

I am proud to say that I had the opportunity to go back this summer to talk to that same gentleman. He thanked me and wanted me to pass on the message to the Prime Minister or whoever is in charge of it, because at the end of the day the forces got what was most important to them: the tools and the equipment they need to do their job properly.

I am proud to say that we are putting in \$60 million per year to level out the allowances paid to soldiers serving in army field units. This is very important for the men and women of CFB Edmonton. There is also \$10 million for operational stress injury clinics, showing that we are concerned about the men and women not just while they are in theatre but also when they are out of theatre.

There is \$19 million going to the veterans ombudsman to help ensure the enhancement of the veterans' bill of rights. Probably most important, as I have already stated, there is \$175 million in budget 2007-08 for the Canadian Forces Canada first defence plan.

I am running out of time. The budget has so many tremendous things to talk about, but I will wrap up by mentioning municipalities. I served as a town councillor in the community of Barrhead and had the privilege of dealing with many of the concerns that come forward at the local level. One of the biggest concerns is that municipalities are never given the funding or the tools to do their job.

Once again, our Prime Minister and our Minister of Finance have listened to this. They have brought forward \$16 billion in infrastructure over a seven year period. They have also brought forward \$2 billion per year to municipalities from 2010 to 2013 by extending the gas tax fund transfer. Most important for Albertans, they have increased the transfer by \$171 million by per capita funding. That is very important.

It is a privilege to speak to the budget. I look forward to taking questions.

• (1345)

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, as a new member of Parliament, the member for Westlock—St. Paul certainly represents his constituents well. I want to commend him especially, as I know that this member, before this budget was announced, was one of the very strong advocates for helping biofuels, recognizing exactly what this does for the producers and the farmers in his riding. I know that he lobbied very hard for this.

The Budget

I wonder if he could tell this House about the significance of this budget for Alberta farmers and farmers across the country. Perhaps there are a couple of things he could highlight.

I know that in the riding of Crowfoot many farmers are frustrated with the way the CAIS program is operating. This budget addresses that. It puts money aside and gives us a kickstart on a new program that I think will better serve the producers.

Also, as far as the capital gains exemption is concerned, this budget now allows farmers to go from a \$500,000 maximum to \$750,000. Perhaps he could talk about the importance of that to farmers and also about the biofuels and the many other things that this budget has for farmers.

Mr. Brian Storseth: Mr. Speaker, I first want to thank my hon. colleague, the member for Crowfoot, for long being a leading advocate in Alberta for our farmers and our producers, both on the opposition benches and on the government benches, making sure that farmers are heard and pushing the same programs and the same priorities. He has delivered the same message in opposition and in government.

It is a real privilege to be part of a government in which for the first time in years the farm programs and the agriculture debate is actually taking place. A very important part of what the member talked about was the biodiesel and ethanol incentives that we have put forward so our industry can be competitive.

This is exactly what Conservatives focus on. They focus on bringing industry into it. They also focus on levelling the playing field so people can be competitive. That in turn is going to drive up the prices at the farm gate, as it already has, and that is the most important thing.

Subsidies are important and we have acknowledged that with over \$1 billion in our first budget and an extra \$1 billion in this budget, and in eliminating the CAIS program, which is very important, but no farmer I have ever talked to wants to be a subsidy chaser. He wants to have farm gate pricing. That is exactly what this initiative is bringing forward.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have two quick questions for the member.

As members know, the Liberal Party started the infrastructure programs and the gas tax programs, which are very popular in municipalities. They are absolutely essential. We fought and fought with the Conservatives to extend those programs in the long term. We are very happy that they have been extended from five to seven years, as is the FCM, but we were looking for a longer extension and so were Canadian municipalities. I would like the member to comment on the comment from the Federation of Canadian Municipalities that there is no long term solution, no long term extension like we were looking for.

The member was praising the military. I would like him to answer, again, to the Prime Minister's broken promise, the only promise to the north, which was a promise for icebreakers and a northern port. Once again, these are broken promises not showing up in the budget.

Mr. Brian Storseth: Mr. Speaker, I can talk only about what I have witnessed and what I have experienced with the men and women of our armed forces. I represent not a small number of them.

Over 7,000 men and women in our Canadian armed forces are housed right in my riding. They are ecstatic with the measures taken by the government. They are hoping that we are in for a long time so that we can continue to fix the neglect of 13 years of Liberal government.

However, I really want to make sure I address the question on the gas tax funding, because I think the member brings up an excellent point. It was a Reform-Alliance proposal in the first place that finally drove the Liberals to put this funding in place. Now we, as a Conservative government, have only expanded that program. I think the steps taken by this government and the extra infrastructure dollars are very positive. I know that my municipal councillors and municipal reeves, to whom I talk on a daily basis, thank us and ask us to continue with this great work.

● (1350)

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, in 2000 the corporate income tax rate was 28%. By 2004, the former Liberal government had dropped it to 21%. In 2005 it went down to 19%. The NDP stopped this cut in budget 2005 in June, but by the fall the Liberals recommitted it. Now the Conservative government is cutting it even further to 18.5%.

Every dollar of corporate income tax that is cut adds about 25¢ to banks and insurance companies, and we know how much help they need, and only 13¢ to struggling manufacturers.

Why is the Conservative government giving a big break to banks, which last year made \$19 billion in profits, rather than investing at least a billion dollars, as it should, to child care providers?

Mr. Brian Storseth: Mr. Speaker, I will try to keep my answer as brief as I can. We in Canada's new government believe in working with all facets of our economy and that includes industry. I think the hon. member will note that the biggest tax reductions and tax breaks this government has given in its first two budgets are somewhere in the neighbourhood of \$39 billion. These tax breaks will go to individuals and hard-working families. That is the most important thing.

The last thing I want to mention is that this government is going after those tax havens that for far too long have survived in our country.

[*Translation*]

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Mr. Speaker, I am honoured to have the opportunity to express my enthusiasm for a budget that will be recognized as one of the most beneficial budgets for Canadians. I say this as the member for Glengarry—Prescott—Russell, which, like all ridings in Ontario, will benefit from this budget. This is true for all Canadians.

Our Minister of Finance had the courage to tackle the fiscal imbalance and to resolve this fundamental issue for all the provinces of Canada. Furthermore, the Ontario Minister of Finance, Greg Sorbara, recognized the importance of the measures taken by our government to restore tax fairness—something the Ontario government has been calling for for some time. He said:

*The Budget**[English]*

Today's federal budget appears to make some considerable progress in addressing fairness in Ontario.

It is a step forward in addressing our long-standing position that our province deserves to be treated fairly.

[Translation]

The \$39 million allocated to resolving this file represents a historic amount. For Ontario, this means more money—an additional \$8 billion—for health care, and more money for social services and infrastructure.

Correcting the fiscal imbalance is an excellent step for Ontario, for all the provinces and for Canada.

However, our government is doing even more by addressing the deficit with its own citizens, which was another one of our commitments. With this budget, our government is clearly showing that we put workers and families first. Tax relief is well targeted and affects those who really need it.

Our Minister of Finance understands the difficulties facing families. He also understands what they want from the government. The \$2,000 child tax credit helps families directly, by putting money in their pockets. Eliminating the marriage penalty is also proof that tax relief can effectively serve family values.

Additionally, I would like to emphasize that our achievements also benefit seniors who need our support. Measures that allow pension income splitting will bring invaluable financial support. Many seniors will also appreciate that they can stay in the labour market thanks to measures that allow them to retire gradually, without having to pay a penalty.

In keeping its commitment to guarantee that tax relief is proportional to the savings achieved by paying down the debt, the government will prove that transparency and respect for workers are fundamental values.

Our latest budget gives Canadians reasons to be proud of their country.

As the member for Glengarry—Prescott—Russell, I am very proud that our government is serious about supporting culture, in particular by contributing to la Francophonie and to festivals celebrating our heritage.

● (1355)

[English]

In total budget 2007 also invests \$4.5 billion for environmental initiatives. These include investing \$225 million with the Nature Conservancy of Canada to protect up to 2,000 square kilometres of ecologically sensitive land, dedicating \$30 million to safeguard the Great Bear Rain Forest on the central coast of British Columbia and strengthening enforcement of environmental protection laws by increasing the number of enforcement officers by 50%.

[Translation]

We promised to be tough on criminals, and this budget shows that we are serious. Considerable sums have been allocated to the fight against drugs and gang activity, two issues threatening the honest members of society.

We should acknowledge our government's unprecedented effort to give the Canadian armed forces the support and respect they deserve: more resources for those currently serving our country and also more services for veterans, whose sacrifices we will never forget.

For veterans, our Conservative government is committed to creating an ombudsman position, to ensure that their rights are respected.

[English]

Furthermore, in this budget our Conservative government is taking real action to support farmers. Since being elected, we have listened to producers across the country. They told us that the Canadian agricultural income stabilization, or CAIS, program did not address their needs. With our provincial and territorial counterparts, we have responded with significant improvements to the margin based program.

Agreement in principle has been reached on a disaster relief framework and we are working to expand production insurance to more commodities. With budget 2006, our government delivered on its commitment to provide an additional \$500 million annually for farm support programs and, in addition, provided an extra \$1 billion.

The passing of budget 2007 will solidify the Prime Minister's recent announcement of another \$1 billion commitment to help address gaps in existing programs and significant increases in the cost of production. Through this budget, we are providing \$1 billion in new direct assistance to farmers and we are replacing the top tier of the CAIS program with a new savings account plan. A farmer savings program is an important step forward in replacing CAIS with programming that is more predictable, bankable and better able to help producers respond to rising costs.

This new program, combined with a disaster relief framework, improved production insurance and an improved margin based program, is all good news for farmers.

The \$1 billion in funding that farmers will be receiving through budget 2007 includes a \$400 million payment to help with the high cost of production. Funds will be delivered through a direct payment to producers of non-supply managed commodities. Producers will receive a payment directly and will not have to apply.

An additional \$600 million in federal funding, once an agreement is reached with the provinces and territories, will kick-start new producer savings programs. Moreover, in recognition of the importance of the contributions of farmers to the Canadian economy, budget 2007 proposes to increase the lifetime capital gains exemption to \$750,000 from \$500,000. Therefore, increased—

Statements by Members

The Acting Speaker (Mr. Andrew Scheer): I hate to interrupt the hon. member for Glengarry—Prescott—Russell, but it is 2 p.m. He will have three minutes to finish his speech at the end of question period, but now we have to move on to statements by members.

[*Translation*]

STATEMENTS BY MEMBERS

● (1400)

[*English*]

THE BUDGET

Mr. Dean Del Mastro (Peterborough, CPC): Mr. Speaker, I rise today on behalf of the citizens of my riding to commend the Minister of Finance for the significant investments and tax changes made in budget 2007.

In my riding of Peterborough the additional support for our seniors will relieve a heavy tax burden off of more than 20,000 of my valued constituents. Peterborough is a blue collar town, relying on the success of Ontario's manufacturing, agricultural and tourism industries. The support for families in budget 2007, in particular those with children under the age of 18, was both well received and long overdue.

The Peterborough riding is the proud home of two of the finest post-secondary institutions in Canada. If Canada is to take its place as a global leader in today's competitive world, institutions like Trent University and Sir Sanford Fleming College must be adequately supported. The 40% federal increase in post-secondary transfers will enable them to provide both an affordable and accessible post-secondary education that is of the utmost quality.

On behalf of the citizens of the Peterborough riding, I thank the Minister of Finance for his vision and commitment to a stronger, better, safer Canada.

* * *

WLADYSLAW GUZDZIOL

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, the good people of Cape Breton and eastern Nova Scotia have suffered a tremendous loss with the passing of a committed and distinguished citizen, Dr. Wladyslaw Guzdziol. Dr. Guzdziol passed away this week at the age of 93, having served multiple generations of families in the Port Hawkesbury area.

Born in Poland in 1913, he completed his medical doctorate in 1937. During the second world war he was a prisoner of war in Poland and placed in a Soviet prison camp. He remained captive for more than five years, surviving seven different camps.

After liberation, he served as a lieutenant in the Polish navy where he met his wonderful wife, Anna. They were wed in 1947 and soon afterward came to Cape Breton.

He was a doctor who prided himself on extending a helping hand to the poor, the vulnerable and did so for over 55 years. Our community mourns the loss of a man of fortitude and distinction.

To his wife, Anna, and daughter, Barbara, we pass on our heartfelt condolences.

INTERNATIONAL DAY OF LA FRANCOPHONIE

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, many Francophone countries have been celebrating the international day of La Francophonie since 1988. Every year, this day gives 200 million francophones an opportunity to celebrate the language they share.

The French language is a precious legacy that lies at the very heart of La Francophonie. It is also a gateway to modernity, and a tool for communication, contemplation and creation.

In Quebec, Francofête celebrates La Francophonie all month long. This year, Francofête invites us to speak to the world in French and reminds us that Francophones around the world all bring their own colour and flavour to the French language. Our wealth of words, terms and figurative expressions deserves to be shared.

The Bloc Québécois and I invite Francophones on all five continents to proudly celebrate the French language.

* * *

[*English*]

GRAND FORKS POST OFFICE

Mr. Alex Atamanenko (British Columbia Southern Interior, NDP): Mr. Speaker, at a community forum held last week in Greenwood, I was approached by Ms. Pat McGee, president of the Grand Forks Canadian Union of Postal Workers, where she outlined some pretty disturbing news.

A recent decision was made to delete a full time clerk position in the Grand Forks post office, which has resulted in large lineups. The citizens in rural parts of my riding need to know that they have access to quality services, not a systematic dismantling of a core service. It appears that post offices across Canada are being dismantled one employee at a time.

According to Ms. McGee, big business is lobbying fiercely for privatization of our postal services. We must not let this happen. Privatization means higher postal rates, uneven service standards and quality, fragmentation of our delivery network and possibly a decrease in mail security.

This is a bad move for everyone. We need not look any further than our own B.C. communities to see how bad privatization really is. Highways are not being looked after and public health care and the environment are under attack.

The public service is already understaffed and privatizing post offices is a step backward for our community.

HEALTH

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, as a member of the Standing Committees on Health and Status of Women, I could not have been more proud of my government for announcing a \$300 million dollar immunization program for women and young girls to protect them against cancer of the cervix.

Dr. Gail Beck, president of the Federation of Medical Women of Canada, who had recommended that the government fund the vaccine, said, “The federation believes that this is the biggest breakthrough in women's health in many years”.

The human papillomavirus is responsible for most cases of cancers of the cervix, which is the second most common cancer in Canada. In July 2006 the government approved the vaccine, and now the launch of this vaccination program will protect women and young girls against the two types of HPV responsible for 70% of cancers of the cervix.

Canada's new government is serious about tackling cancer head-on, as we have already demonstrated through the Canadian Partnership Against Cancer. We are getting things done for Canadian women, as we aspire to a stronger, safer, better Canada.

* * *

● (1405)

PRIME MINISTER'S AWARDS

Hon. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I would like to congratulate two constituents in my riding of Etobicoke North who are among the 2006 recipients of the Prime Minister's Awards for Teaching Excellence and for Excellence in Early Childhood Education. These awards honour outstanding and innovative early childhood educators and elementary and secondary school teachers in all disciplines.

Ms. Kamla Rambaran is a teaching excellence recipient and is receiving the Certificate of Excellence.

Ms. Eleanor Szakacs is an excellence in early childhood education recipient and is receiving the Certificate of Achievement.

Every Canadian has a special memory of a teacher who made a difference in their lives and helped or inspired them to realize their potential. Today we commend the achievement of these teachers and their commitment to excellence because it is in our classrooms and in our schools that we build a better country and a better world.

* * *

[Translation]

TAXATION

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, in tabling its budget yesterday, Canada's new government kept its promise to correct the fiscal imbalance. My province, the province of Quebec, will receive \$15.2 billion in 2007-2008 to restore fiscal balance. That is 60% more than before the Liberal cuts made by the member for LaSalle—Émard.

Our budget is proof of Canada's new government's commitment to reconfiguring how financial resources are shared among federal and provincial governments.

Statements by Members

My riding, Charlesbourg—Haute-Saint-Charles, is proud of having voted for one of the 10 Conservative members from Quebec who have been working in Canada's new government. Not only have we condemned the fiscal imbalance, but the Conservative team had the will and the ability to correct it.

Once again, our government has shown that we are people who back up our promises with real, tangible action. Thanks to the Prime Minister of Canada's will and leadership, Quebec is regaining its strength in the Canadian federation.

* * *

TOURISM INDUSTRY

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, last fall, the Conservative government announced that it intended to abolish GST refunds for foreign visitors. This decision made people in the Quebec tourism industry fear the worst. In the Quebec City region alone, they estimated they would lose one out of every 10 tourists, which would mean a loss of \$160 million and 2,500 jobs.

The pressure from the Bloc Québécois on this issue forced the government to review its decision and to continue refunding GST for conferences and tours.

However, this is not a definitive solution. This tax is useless, given the federal government surpluses. It hurts tourism, and the government should go back to the way things were and stop needlessly taxing the Quebec tourism industry. The Bloc Québécois has acted responsibly on this issue, and we will continue to defend Quebec's vision for tourism.

* * *

INTERNATIONAL DAY OF LA FRANCOPHONIE

Mrs. Sylvie Boucher (Beauport—Limoilou, CPC): Mr. Speaker, on this International Day of La Francophonie, I would like to pay tribute to francophone communities that have achieved extraordinary success over the years.

Tenacity and creativity characterize these generations of francophones who settled here and in more than 60 other countries, putting down roots and cultivating their values and dreams from the old world.

This International Day of La Francophonie is also one of the highlights of the ninth Rendez-vous de la Francophonie.

Additionally, strongly supported by the \$52 million announced yesterday during the budget presentation, the 12th summit of la Francophonie, to be held in Quebec City in fall 2008, will constitute further recognition of those who have worked to ensure the survival of French language and culture.

Along with the Minister for la Francophonie and Official Languages, I am delighted to see francophones all over the country getting together to celebrate this International Day of La Francophonie.

Statements by Members

[English]

FOOTBALL

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, I am very proud to stand in the House today to offer congratulations to Tyson Pencer, a young man from British Columbia who has made his family and all of us in Newton—North Delta very proud.

Tyson is a graduate of distinction from Sands secondary school who established himself as one of British Columbia's top football prospects in his final year. He was heavily recruited by many huge American universities for a full scholarship run and has accepted an offer to play for the Washington State Cougars. He is a part of an elite group of seven young Canadians who have been accepted into top tier NCAA schools.

This kind of achievement would not have been possible without the support of the Pencer family and many in our community of Newton—North Delta who have always promoted education as a future path to accomplishment.

I wish Tyson tremendous success in his academic and athletic career. I, along with others MPs and the constituents of Newton—North Delta, look forward to cheering for him in future Grey Cups or Super Bowl Games.

* * *

●(1410)

THE BUDGET

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, Canada's new government has made history. Yesterday's budget committed \$16 billion over seven years to provincial infrastructure, bringing total infrastructure support to \$33 billion, the largest investment in Canadian history toward infrastructure.

The Manitoba government has endorsed our plan. The premier said that the infrastructure proposal was very positive.

Brandon mayor, Dave Burgess, said that he was happy to see the money in the budget because it will allow the city to invest in major infrastructure.

I would like to congratulate the Minister of Finance and Canada's new government for their commitment to support infrastructure in Manitoba and in all of Canada.

Budget 2007 means fairness to everyone. That is our Canada, voilà notre Canada.

* * *

JUSTICE

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, to make our communities safer and stronger, we might consider getting smart on crime.

A more holistic approach would include restorative justice in which offender and victim meet face to face to repair the harm done. It stands up for the victims by engaging both sides to make things right.

Restorative justice is not the solution for every crime. However, it is a tool in many cases that fosters accountability and builds community instead of dividing it.

Restorative justice programs in Victoria and Oak Bay work collaboratively with the police to address select criminal cases through this constructive reconciliation process. It rarely results in reoffending. Instead, it ends in closure.

There are more solutions to crime than prison. If the government is serious about real justice, it will stop appealing to our fears, expand its approach and fund restorative justice programs.

* * *

HOCKEYVILLE 2007

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, I stand today to congratulate North Bay on being chosen as Hockeyville 2007.

North Bay was one of five finalists vying for the coveted title, which was announced during the CBC'S *Hockey Night in Canada* broadcast on Saturday evening.

North Bay's entry in the competition was spearheaded by Chris Dawson and showcased the Canadian Pond Hockey Face-off and Tom Hedican's Coach for Food Program.

People throughout Nipissing—Timiskaming and from across Canada demonstrated overwhelming support for the North Bay entry and it was thanks to their online votes that the community was crowned Hockeyville 2007.

The award is more than just a title. North Bay will play host to an NHL exhibition game, the community will be featured in a CBC television Hockeyville special and Memorial Gardens in North Bay will receive \$50,000 in arena upgrades.

On behalf of all hon. members, I wish to thank Chris Dawson, the committee that organized North Bay's entry, as well as the countless people who endorsed the bid.

I congratulate North Bay, as it truly is Canada's Hockeyville.

* * *

[Translation]

TAXATION

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, the Bloc Québécois is pleased that the long-standing efforts of the sovereignists to resolve the fiscal imbalance have produced tangible financial results for Quebec.

It was the government of Bernard Landry that established the Séguin commission in March 2001. In Ottawa, the members of the Bloc Québécois maintained pressure on the federal government by obtaining the establishment of a subcommittee on fiscal imbalance, setting up the Léonard committee, which showed that Ottawa had the means to correct the fiscal imbalance, and calculating this fiscal imbalance.

Oral Questions

ORAL QUESTIONS

[English]

THE BUDGET

The Bloc Québécois will continue to be vigilant because, although we have recovered some of our money, the battle against the fiscal imbalance is not over. We have yet to gain control of other monies. Federal spending power has not yet been limited. And Quebec remains subject to the whims of the government of the day because certain tax fields have not yet been transferred.

* * *

• (1415)

[English]

HUMAN RIGHTS

Mr. Mario Silva (Davenport, Lib.): Mr. Speaker, this year we celebrated the 98th annual International Women's Day and joined with people across the globe calling for greater women's equality.

Among those demonstrators was a group of courageous women in Iran demanding equal rights from their government and changes to discriminatory laws. Among the many activists arrested, two remain in indefinite detention. For their courage in calling for an end to practices such as the stoning of women, these women have been charged as being threats to national security.

I have spoken many times on the issue of Iran's record on human rights violations, and Canadians have watched as our citizens have been murdered by the regime, others have been detained indefinitely and human rights disregarded. Now again we see this genocidal, homophobic, anti-Semitic, extreme fundamentalist regime working to revoke the rights of people, both in Iran and among its neighbours.

They must know that Canada and indeed the world will never condone their vitriolic hatred and will always side with human rights and equality. Canada and the world must stand united in the face of tyranny.

* * *

THE BUDGET

Mr. James Moore (Port Moody—Westwood—Port Coquitlam, CPC): Mr. Speaker, B.C.'s economy is strong and will be even stronger as a result of this Conservative budget.

We are making record investments in B.C.: an additional \$410 million for the Pacific Gateway, bringing our commitment to \$1 billion; \$33 billion in infrastructure money which B.C. can leverage; \$185 million for B.C. from the gas tax fund; \$15 million for the Brain Research Centre at UBC; \$3.1 billion in the Canada health transfer; \$1.3 billion in the Canada social transfer; \$140 million for post-secondary education in B.C.; \$200 million to support B.C.'s green plan for our ecotrust initiative; our tax credit will put \$174 million into the pockets of B.C. families; as well as the purchase of three new coast guard vessels on the west coast.

By the way, the Liberals and the NDP will be voting against all of this. This is only a partial list of what we are doing for British Columbia in this budget. British Columbia is strong and will become stronger when this budget passes and becomes law.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, with yesterday's budget, never has so little been done with so much. There is no money to make us more competitive. There is no money to help students. There is no real money or plan to protect our environment or fight climate change. There is no meaningful money to improve the lives of Canadian aboriginals. There is no broad tax relief for average Canadians. There is an approach to the equalization program that is so divisive that the chief economist for the TD Bank called it a mess.

The Prime Minister already wasted a year with the 2006 budget. Why is he forcing Canada to waste another year with this budget?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, of course the leader of the Liberal Party is wrong. Every single thing he mentioned is included in the budget.

I think what Canadians have been wondering about over the past 24 hours is the most unfocused budget reaction they have ever seen from a leader of the opposition in this country. Perhaps the hon. member will confirm to the House that the reason for that is, according to the *Globe and Mail* this morning, he had actually decided to oppose the budget yesterday before even reading it.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): No, Mr. Speaker. What is true is that it is an unfocused budget.

The Canadian Chamber of Commerce says the government broke its promise to make Canada more competitive. The Child Care Advocacy Association says that the budget failed on child care. The *Toronto Star* says that this is an unfocused budget that ignores the poor. The Sierra Club says that the government is basically ignoring the climate crisis.

On the three pillars of economic prosperity, social justice and environmental sustainability, why has the government failed Canadians?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this budget contains important tax reductions that Canadians have asked for, that Canadians want to see. This budget contains popular and desirable social, environmental and economic measures that have been demanded by Canadians. Every one of these things is popular.

The Leader of the Opposition does not single out for criticism any single initiative in this budget, but he is going to vote against every one of them because he already made up his mind before he read it. That is something he will have to explain in the next election.

Oral Questions

● (1420)

[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, the truth is that I would have been very pleased if this was a good budget. I am voting against it because it is a bad budget.

The Prime Minister wants me to single out a measure in this budget: the tax increase that will hit the least fortunate and the middle class. He is increasing from 15% to 15.5% the lowest bracket, under \$35,000. He is pocketing \$1.4 billion that belongs to Canadian families.

Why this tax increase when he has such a good financial situation available to him thanks to the good Liberal management of the past few decades?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, last year and this year we cut taxes for families. The Liberal Party is going to vote against cuts for families.

More importantly, the Leader of the Liberal Party is going to vote against fixing the fiscal imbalance. Why? Because he wants all of Canada's money to go to the federal government for it to run provincial jurisdictions. That is not our take on federalism. Furthermore, that philosophy is rejected by every party in Quebec.

[English]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the government's own budget admits that lagging productivity is "the principal domestic risk" facing the Canadian economy, but the government has no plan. New funding to help Canadians send their kids to college has been postponed. Initiatives to help new Canadians get the job training they need have been back ended. There is nothing in the budget to help aboriginal Canadians get on their feet.

Why has the government failed to address what its own budget calls the chief risk facing the jobs of ordinary Canadian families?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I am pleased that yesterday's budget provided \$800 million in new money for post-secondary education. It is very important.

Hon. Ralph Goodale: You are looking rather mean, Jim.

Hon. Jim Flaherty: Ralph, stop yelling for a minute and I will quote something.

Claire Morris of the Association of Universities and Colleges of Canada said, "This kind of support for the next generation of Canadian researchers will help launch exciting new ideas and innovation across the country". Students feel the same way. Phillippe Ouellette of the Canadian Alliance of Student Associations said, "Students have been pushing for a dedicated transfer payment for years now"—

The Speaker: Order. The hon. member for Etobicoke—Lakeshore.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, there is no money this coming year. It has been back ended and the minister well knows that.

[Translation]

Tomorrow's jobs require action right now. Canada has to stay competitive in the global economy, but this government is only planning for the next election.

How can Canada become a global economic leader with such a timid government?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, about research and applied research, Sharon Maloney of Polytechnics Canada said:

We're pleased that the government recognizes the need to invest in applied research and training.

When talking about the manufacturing sector, a number of people have commented on the importance, the shot of adrenalin that it means for manufacturing in Canada, for the forestry industry in Canada. The two year capital cost allowance write-off unanimously recommended by the industry committee of the House of Commons will fulfill that.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister thinks that he has finally fixed the fiscal imbalance through this budget. That is not true. According to the Séguin report, about which there is a general consensus in Quebec, any genuine resolution of the fiscal imbalance would have to include a permanent transfer—and I emphasize the word "permanent"—of tax room so that Quebec is no longer at the mercy of the changing mood in Ottawa.

How can the Prime Minister claim to have fixed the fiscal imbalance when his budget does not contain any permanent tax room transfers?

● (1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this budget does contain permanent transfers and increases in all the transfers to Quebec and the other provinces.

The Bloc leader referred to the Séguin report. I can tell him that the amounts turned over to the provinces in this budget are even larger than those mentioned by Mr. Séguin.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I agree that there are money transfers, but I am talking about tax transfers. That means the transfer of tax room, of tax points or GST points, or some combination of the two. That is what Mr. Séguin was talking about. If this is not done, there is no assurance that in three years another government or even this one will not decide something else.

Does the Prime Minister realize that the only way that Quebec can gain control over the money it needs to take care of its own jurisdictions is for it to have the necessary tax room?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there are different ways of fixing the fiscal imbalance. We have proposed monetary transfers to the provinces. In the end, the result is the same.

I saw Mr. Boisclair's reaction last night. He said that the fiscal imbalance could never be fixed except through a sovereign Quebec.

Oral Questions

We have fixed the fiscal imbalance and created a strong, prosperous Quebec in a united Canada.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, that sounds very familiar: that is exactly what Pierre Elliott Trudeau used to say.

The Séguin report, which described and quantified the fiscal imbalance, clearly recommended that federal spending power be curtailed in areas under provincial jurisdiction.

Can the Minister of Finance explain why, in his budget speech yesterday, he had no plan to eliminate the federal government's spending power in this regard? Why did he not make any specific statements about that?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this government wants to permanently regulate and control the federal government's spending power in areas under provincial jurisdiction. As I said, the very existence of that spending power contradicts the spirit of federalism.

I hope that, in the future, we will have discussions with a Quebec government that is committed to improving the Canadian federation.

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, all parties in Quebec agree that to limit federal spending power, Quebec has to have the right to opt out with full compensation and no strings attached.

How can the Minister of Finance say that he has done something to limit federal spending power when there is absolutely no possibility of opting out with full compensation and no strings attached, which is what all political parties in Quebec are asking for right now?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, we want to control federal spending power. I hope that we will have opportunities to discuss this issue with a Quebec government that is committed to upholding the Canadian federation. It is important that all Quebecers continue to benefit from all of the advantages of the Canadian federation and its economy.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, with the Conservative Party budget, the gap between the rich and the poor will continue to grow wider and wider.

Tuition fees will rise. Once again, employment insurance has been ignored, and the worst gap of all is still that which separates aboriginal people from the rest of us.

There is a lot of talk about the fiscal imbalance, but no one is talking about the social imbalance.

Why did the Prime Minister choose CEOs over ordinary Canadians?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, that is not at all the case. The benefits of this budget will be felt by workers and their families. It is important to help those who are receiving social assistance and who want to work.

It is also important to help businesses that are in trouble and to ensure that large corporations pay their fair share of taxes. That is what this budget does.

• (1430)

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the fact is very clear that the prosperity gap is widening in this country and this budget does nothing to fix it. Every little step forward is met with two steps backward.

The big profitable corporations are getting most of the tax benefits in these Conservative budgets, just like the Liberals used to propose. The fact is the basics are not taken care of. There is no \$10 minimum wage, which would have done something about poverty, a failed child care plan and nothing for housing.

Why did the Prime Minister choose the boardroom table instead of the kitchen table?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the leader of the New Democratic Party could not be more wrong.

This budget is focused on the needs of ordinary working people and their families. It is focused on helping those people, people who have children, people who have child care. It is focused on helping people like truck drivers and apprentices. It also assures that the corporations in this country will close tax havens and they will pay their fair share of taxes.

The NDP in opposing this budget is rejecting what every NDP leader in history has stood for. The leader of the NDP should be ashamed of himself.

[Translation]

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker—

Some hon. members: Oh, oh!

[English]

The Speaker: The popularity of the hon. member notwithstanding, we have to be able to hear what he says during question period.

The hon. member for Markham—Unionville now has the floor. We will have a little order, please.

Hon. John McCallum: Mr. Speaker, it seems they get a little nervous when I rise.

[Translation]

Last year, despite a budget surplus of \$13 billion, the government raised the lowest tax rate from 15% to 15.5%. That is an increase.

The budget presented yesterday could have remedied that injustice.

Although he is swimming in surpluses, the Minister of Finance did not give these billions of dollars back to Canadians. The minister had a choice to make. Why did he choose so poorly?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I know some members of this House get nervous when the member rises, mainly Liberal members I think.

Oral Questions

We chose to support families in Canada. That was a definite choice. We reduced taxes by more than \$7 billion in yesterday's budget, \$5.73 billion in personal tax reductions, with 75% of the reductions going to people earning less than \$75,000 a year in Canada.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, maybe he is nervous because yesterday I awarded him the 2007 naivety prize of the year award for his proclamation that all of a sudden after the budget there would be peace and harmony for all times in federal-provincial relations.

In any event, the reason he is all wrong comes from the Canadian Taxpayers Federation which said the fellow working on the line or anyone with a salary income and no children will receive no tax relief.

That is the problem. All Canadians deserve tax relief. Why did the minister not reverse his income tax hike and give a break not just to Conservative followers but to all hard-working Canadians?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, not only have we reduced public debt last year by \$13.2 billion, but we are also going to reduce public debt this year by more than \$9 billion. The total reduction in public debt in two budgets, then, will be more than \$22 billion. That is a reduction of \$700 for every man, woman and child in Canada.

We translate that through the tax back guarantee through a personal tax reduction for all Canadians; so that every time we reduce the interest payment on our national mortgage, individual Canadians benefit through tax reductions.

• (1435)

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, when the finance minister presented his economic update last November, he told us how much money he was projecting. Now, just four months later, guess what? He was wrong and not just by a little bit. This year alone he was off by \$7 billion and over three years \$14 billion.

How could his numbers have been so wrong and how can Canadians trust this finance minister?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, absolutely, and the reason is—

Some hon. members: Oh, oh!

Some hon. members: Hear, hear!

The Speaker: Order, please. I know the Minister of Finance appreciates all the support and enthusiastic assistance he gets when he is giving his answer, but we have to be able to hear the answer. The Minister of Finance has been recognized by the Chair as having the floor, so we will have a little order so everyone can hear his answer.

Hon. Jim Flaherty: Mr. Speaker, unlike the previous government of over 13 years, we are able to control spending. The underspending was quite significant in the past fiscal year. As a result, we have lower spending and a higher surplus than anticipated. This gives us the opportunity to make a payment on the public debt of more than \$9 billion which, as I have said, results in a tax decrease for all Canadians on the personal income tax side.

[Translation]

Hon. Lucienne Robillard (Westmount—Ville-Marie, Lib.): Mr. Speaker, despite this year's surplus of \$9.2 billion, there is not one word, one single mention, one iota in this 478-page budget about Canada Economic Development.

The Minister of the Economic Development Agency of Canada for the Regions of Quebec received nothing in last year's budget and commented at that time that he would get something the following year. It seems that this budget has not been good to him.

What will the minister say to workers as job losses accumulate in all regions of Quebec?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, there is a record historic allowance for infrastructure in the budget in the amount of \$33 billion to help rebuild Canada. It is in the great tradition of national projects by Canadian pioneers. There is money for infrastructure for the environment to help build an east-west hydroelectric grid in Canada. These are great national projects requiring large sums of money committed over a long period of time. That has been done to the tune of \$33 billion.

[Translation]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, the Minister of Finance has stated on several occasions that the issue of the fiscal imbalance has been settled. That is not the case. Not only did he not transfer tax fields to the Government of Quebec, but he also did not balance the federal government's spending power by granting Quebec the right to opt out with full financial compensation.

Does the Prime Minister intend to heed the request of Mario Dumont and amend the Constitution in this regard?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as the Prime Minister has already indicated, we are moving increasingly toward taking care of our own jurisdiction, taking care of our own constitutional responsibilities.

For too many years under the previous government, actually 13 years to be exact, there was meddling by the federal government in areas that were clearly provincial jurisdictions.

I know the members opposite do not believe there is fiscal imbalance, but part of moving from fiscal imbalance to fiscal balance is the sorting out of responsibilities, which we are attempting to do.

[Translation]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, evidently the Prime Minister does not intend to respond to Mario Dumont's request and amend the Constitution in this regard.

At the very least, would he be willing to present a bill that would grant the right to opt out, with full compensation and without conditions, of any federal program in Quebec's areas of jurisdiction in order to balance the federal government's spending power? Will he table a bill in this regard?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I believe that I have already answered this question.

I note that the Bloc Québécois is now referring to Mr. Dumont. I wonder if this means that the Bloc Québécois loyalties are beginning to shift even here.

● (1440)

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, tabling a federal budget at the very end of an election campaign is already a touchy matter, to say the least, but if information was leaked to one of the leaders of the parties in the race, then we should be talking about unacceptable interference.

How can the Prime Minister justify giving information in advance to Jean Charest when he is in the middle of an election campaign?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, we took great care, as we did in the autumn, to ensure that budget secrecy and budget confidentiality was maintained, and they were.

[*Translation*]

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, I would like to believe the Minister of Finance, the Prime Minister and the government as a whole, but while people in this House were in lock-up, and knew nothing about the nature of the budget and could therefore not talk to anyone about it, Jean Charest was posting placards and using graphs with federal budget figures one hour before the minister started reading his speech.

I would like to know why the Prime Minister allowed such a leak of information if not to benefit his friend Jean Charest.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the Minister of Finance said that no information was leaked.

Mr. Charest assumed that this government would correct the fiscal imbalance because this government promised to do so. Mr. Charest and Quebecers know that this government keeps its promises.

[*English*]

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, the Tories foolishly call their budget “Aspire”. It sounds like a cheap perfume and it smells even worse.

What did my constituents get out of it? On the lower Churchill, goose egg; on 5 Wing Goose Bay, goose egg; Trans-Labrador Highway, goose egg; aboriginal policy, goose egg; economic development, goose egg; Marine Atlantic, goose egg; and of course equalization, the biggest Tory goose egg of all.

Can the Minister of Fisheries and Oceans explain his political impotence and his utter inability to stand up for the people of Newfoundland and Labrador?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: Order. Order, please. We have moved on. The Minister of Finance has the floor to answer the question from the member for Labrador. We do not need supplementaries yet. The hon. Minister of Finance has the floor.

Hon. Jim Flaherty: Mr. Speaker, not only is there a historic level of funding for infrastructure confirmed in this budget of, as I said, \$33 billion over the course of the next several years for infrastructure, rebuilding the infrastructure of Canada neglected by the party opposite for 13 years, but also there are important social programs that I am sure the member for Labrador cares about, like the working income tax benefit, WITB, which will help people get over the welfare wall, including aboriginal Canadians.

This is an issue that has been raised often by Chief Fontaine and other aboriginal leaders.

Mr. Scott Simms (Bonaville—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, the Prime Minister made a promise on equalization. True to form, this is promise made and promise broken.

The way the government has set this up my province is forced to choose either the Atlantic accord or the complete exclusion of non-renewable resources but with the cap. The Conservatives have promised it all only to get votes.

My question is specifically for the Minister of Fisheries and Oceans. Will he stand in the House, right here, right now, and condemn this betrayal of Newfoundland and Labrador?

Some hon. members: Oh, oh.

The Speaker: Order, order. The right hon. Prime Minister has the floor. Order.

● (1445)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the Premier of Newfoundland and Labrador asked repeatedly that the government reject the recommendation of the O'Brien Commission that would have put a cap on the equalization benefits of the Atlantic accord.

I heard what Premier Danny Williams said yesterday. I can tell you, Mr. Speaker, that is completely untrue. There is no cap on the Atlantic accord.

The Atlantic accord is preserved in this budget and preserved due to the good work of the Minister of Fisheries and Oceans and of course other members of our Newfoundland and Labrador caucus. Promise made, promise kept.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, at least five premiers are very unhappy with yesterday's budget. In Saskatchewan the Conservative promise about equalization was torn to shreds. It is the biggest sucker punch since Todd Bertuzzi.

Saskatchewan was told that non-renewable natural resources would be out of the equalization formula. Saskatchewan was not told that an overriding cap would reduce the Conservative promise to a complete farce. This is dishonest in the extreme.

Why does the government treat the people of Saskatchewan with such utter contempt?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the government, first of all, in dealing with the fiscal imbalance, took the principal recommendations made by an independent, non-partisan expert committee. We then modified those recommendations to make sure they included our commitments, including our commitment to have the full exclusion of natural resources.

Under this particular proposal under the budget, Saskatchewan will receive the largest per capita increase in equalization benefits of any province and guess what, not surprising, the member opposite from Regina is going to vote against Saskatchewan.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the Prime Minister's spin doctors are peddling this jiggery-pokery about per capita numbers for Saskatchewan, but they just do not cut it. Ask the Conservative opposition leader in Saskatchewan. They add together dogs, cats, horses, chickens and eggs, and concoct a smokescreen to hide the hard reality that the Conservatives did not tell Saskatchewan the truth.

Much of this Conservative flim-flam is based on one time money for items that have already been nullified by tax increases or programs cuts. It is a fraud.

As with income trusts, why does the government have such trouble telling the truth?

Right Hon. Stephen Harper (Prime Minister, CPC): Another question is, Mr. Speaker, why does the hon. member opposite have trouble hearing the truth?

The truth is that the Saskatchewan government just got the best deal that any Saskatchewan government ever had in history from this government. On top of that the people of Saskatchewan, for agriculture, infrastructure and all kinds of major initiatives by this government, will get the best deal they have ever received.

The only party they will ever get that deal from is this party because that party would not give it to them and would take it away.

* * *

PRIME MINISTER OF JAPAN

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, could the minister outline what action he has taken to express his concerns to Japan over Prime Minister Abe's statements that he saw no evidence that coercion was used by Japanese military authorities to force so-called comfort women into service in military brothels?

Hon. Peter MacKay (Minister of Foreign Affairs and Minister of the Atlantic Canada Opportunities Agency, CPC): Mr. Speaker, Canada has enormous sympathy for comfort women who endured great suffering during World War II. The abuse of the comfort women is a deplorable story and these wrongs and their enormously painful era should not be forgotten but should be addressed in a compassionate and progressive way.

They deserve our respect and our dignity. I relayed those sentiments when I spoke to the Japanese foreign minister this week. I sought clarification on the issues of the apology to these women and the regrettable comments of the prime minister of Japan. He confirmed that the government would stand by the 1993 apology made by chief cabinet secretary, Kono, and previous prime ministers

that Japan acknowledges the involvement of military authorities of the day, extends its sincere apologies and remorse to all of those comfort women.

* * *

THE BUDGET

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, listen to these words:

The Prime Minister has the moral responsibility to respect the will of the House....

That is a quote from *Hansard* of April 13, 2005, less than two years ago, made by the Conservative Prime Minister.

Recently, the House adopted a seniors charter that would lower drug and dental costs for everyone over 65 and the veterans first motion that would help extend services and benefits to our veterans. None of these measures were in yesterday's budget.

Why is the Prime Minister widening the gap for seniors? Why does he now believe that he can ignore the will of Parliament?

• (1450)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as I am sure the member knows, for seniors we are moving the age of converting RRSPs to RRIFs from age 69 to age 71 after the previous Liberal government moved it down from age 71 to age 69.

We are also taking the historic step of permitting income pension splitting for seniors and pensioners in Canada. It is a huge tax change that will benefit seniors to the extent of more than \$750 million.

We are increasing the old age credit as well by \$1,000. All of these measures assist seniors in Canada. I cannot understand why the NDP would not support these measures.

Ms. Judy Wasylycia-Leis (Winnipeg North, NDP): Mr. Speaker, talk about two steps backwards for every step toward closing the prosperity gap. This is a double-cross to the seniors and their families who are paying the price.

Despite passing a motion for pharmacare in the House, yesterday's budget included absolutely nothing to lower the soaring cost of prescription drugs. We have corporate tax cuts for the drug companies but nothing to help seniors and their families.

Why is the government ignoring the will of Parliament? Why is it widening the prosperity gap for seniors?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, if the member has the opportunity to review the budget she will see that there were no corporate tax cuts in yesterday's budget. In fact, it was pointed out rather vociferously by some in the press today that those tax cuts were not there.

We deliberately chose to help working families in Canada. We also chose to reduce capital cost allowances dramatically with respect to manufacturing and processing industries in Canada because we want to help them generate jobs and stay strong in the manufacturing sector that has been under some duress.

Oral Questions

However, we did bring in help for people to get over the welfare wall with the working income tax benefit. I cannot believe the NDP would not support that initiative.

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, the Conservatives are clearly mismanaging Canada's economy and this shotgun budget is a prime example.

The minister closed his eyes and pulled the trigger in the hopes of hitting a few targets. It reminds me of the vice-president of the United States.

There is not a penny here to help fight the pine beetle in British Columbia. This is a devastating issue that the government had promised to address but now it is just another in a long list of Conservative broken promises.

With a \$9.2 billion surplus, why has the government turned its back on British Columbia?

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, I want to tell the House what is criminal about this. In 1994-95 the pine beetle infestation covered an area smaller than Parliament Hill. The Liberal government of the day in Ottawa did nothing. The NDP government in British Columbia did nothing.

Our government made a commitment of \$1 billion over 10 years and, in budget 2006, we delivered on the first \$200 million. We are getting the job done after the guys over there left a mess.

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, it could not be more clear to the residents of British Columbia that the Conservatives have chosen to punish them. The government is mismanaging the economy and has backtracked on promise after promise. Canadians and British Columbians are fed up.

Where is the money for the pine beetle? Where is the money for the visitors GST rebate program? Where is the money for the 2010 Olympic and Paralympic Games? Why do the Conservatives continue to punish B.C. on equalization?

What do they have against the west? Why have they chosen to punish British Columbia on so many fronts?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I really encourage the hon. member to read the budget. I know springtime is coming to Ottawa and it is an exciting time for everybody but there is time to read the budget.

If the member reads the budget he will see that we have dealt with the GST issue for tours and conventions. Read the budget. If he reads budget 2006 and budget 2007 he will see \$1 billion for pine beetles. Read the budget. If he reads the budget for 2006 and 2007 he will see \$1 billion for the Pacific Gateway.

Read the budget. The answers are there.

• (1455)

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the people of New Brunswick can be added to the list of those who were betrayed by the government.

[Translation]

New Brunswick was betrayed by this flawed Conservative budget.

[English]

The New Brunswick government has already given this budget a failing grade. The province's finance minister has said that he will now have to seek a side deal to address his brutal budget shortfall.

How can the Conservative Minister of Finance justify betraying Canada's regions, including my province of New Brunswick?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, one of the most important industries in New Brunswick is the forestry industry. I want to point out again the capital cost allowance measure that we took yesterday which is dramatic. Over the course of just two years, manufacturing and processing industries, like the pulp and paper industry, will be able to totally write off new machinery and equipment.

Here is what the industry says about it. Avrim Lazar from the Forest Products Association of Canada says:

The Government has sent a strong signal that it understands the need to encourage investment and innovation to keep jobs in Canada. (...) This is good news for the hundreds of thousands of Canadians who work in the manufacturing sector and the hundreds of communities across—

The Speaker: The hon. member for Halifax West.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, Nova Scotians too were betrayed yesterday. The Prime Minister broke his promise to honour the offshore accord.

Yesterday, the province was told the accord will not apply to the revised equalization program, but the deal we signed said that it would apply no matter how the program changed.

Premier MacDonald said, "the...budget forces Nova Scotia into a 'fundamentally unfair' choice between cash today and rights to offshore oil and gas tomorrow.

Does the Minister of the Atlantic Canada Opportunities Agency disagree with the premier or will he stand up today for Nova Scotia?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I already answered that question. The budget protects all the benefits to Nova Scotia, as well as Newfoundland and Labrador. There is no cap whatsoever applied to the Atlantic accord, contrary to what was said by some commentators last night.

In fact, Nova Scotia and Newfoundland, unlike the other provinces, actually have the choice of two different equalization formulas, although they cannot have both at the same time.

This should allow the Government of Nova Scotia to do something very different than the Government of New Brunswick. The Government of New Brunswick surprised people with tax increases and program cuts in the last budget. That should not happen in Nova Scotia or anywhere else in Atlantic Canada.

Oral Questions

[Translation]

SECURITIES

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, after touching on the subject in his economic update last November, the Minister of Finance is back with his budget and his pet project to create a common securities regulator, once again looking to satisfy the obsession of his Bay Street buddies in Toronto.

Does the Minister of Finance intend to reject the demands of the Toronto Stock Exchange brokers, to tell them that securities are in Quebec's exclusive jurisdiction and that the federal government has no business there?

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the efficacy of capital markets is very important in Canada to help encourage jobs and investment.

I have had constructive discussions with my provincial colleagues with respect to that issue. This is not an issue dealing with the creation of any sort of national federal entity. It is an issue relating to the creation of a common securities regulator shared by all of us who are in government, the various governments in Canada.

This would help put us in a position to have a stronger economic union and to move toward more free trade in securities, not only in North America but in the G-7.

[Translation]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, the minister's response is very disconcerting, to say the least.

The Minister of Finance argues that having 13 securities commissions is inefficient. But a study by the OECD published last fall says the complete opposite, and states that the current system is actually a model of efficiency.

How can the minister explain his obsession with wanting to improve a system that works, other than wanting to transfer to Toronto a jurisdiction that belongs exclusively to Quebec?

● (1500)

[English]

Hon. Jim Flaherty (Minister of Finance, CPC): Absolutely not, Mr. Speaker. That is not the intention at all. The intention is to try to make the Canadian economic union work as well as it can.

The IMF and the World Bank have looked at the issue and in their report they recommended that we, as governments in Canada, continue to pursue this option of making our capital markets more effective and more efficacious, which creates more liquidity in Canada, which creates more investment, more jobs for Canadians and more jobs in Quebec. This is all progress.

As I say, this is all about creating a common regulator to make the markets work more efficiently, not creating a national—

The Speaker: The hon. member for Bourassa.

AFGHANISTAN

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, after months of misleading Canadians, the Minister of National Defence was pushed into apologizing for general incompetence. He dismisses distortion on the role of the Red Cross in Afghanistan as inadvertent and that he only recently learned just how wrong his statements were. How can that be true?

The minister was briefed personally by the president of the International Committee of the Red Cross last September. That is right. Dr. Kellenberger gave the Minister of National Defence a personal briefing on the role of the Red Cross so that there would not be any confusion. Which part of the briefing did the general not understand?

Hon. Gordon O'Connor (Minister of National Defence, CPC): Mr. Speaker, we had a very broad discussion and in that discussion the president pointed out how much cooperation he has received from the Canadian Forces and he appreciated all our efforts.

* * *

THE ENVIRONMENT

Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC): Mr. Speaker, yesterday was a historic day in Canada's fight to reduce greenhouse gases and tackle Canadians' concerns regarding climate change. Budget 2007 invests \$4.5 billion to clean our air and water, reduce greenhouse gases and combat climate change, as well as protect our natural environment.

Could the Minister of the Environment please tell this House about some of the new and innovative programs in the budget that will help Canada in its fight to eliminate smog, reduce greenhouse gases and combat climate change?

Hon. John Baird (Minister of the Environment, CPC): Mr. Speaker, I have to tell the House that I am somewhat shocked that no member of the official opposition has stood and asked any questions about Ontario in this budget.

I can tell the member opposite that there are a lot of very good initiatives in this budget. The Minister of Finance and the Prime Minister have heard the concerns. We are moving forward to work with the provinces with a \$1.5 billion ecotrust announcement for the first time ever. As two premiers told me, they never received a single dollar from the federal government under the Liberals and now they are finally getting help to combat greenhouse gases and combat climate change. We are proud of it and the best is yet to come.

* * *

TRANSFER PAYMENTS

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, sending the NDP's gas tax transfer to cities is good news but the Federation of Canadian Municipalities says:

The bad news is that the Budget fails to deliver a long-term strategy to meet the challenges in our cities and communities, particularly to erase the \$60-billion municipal infrastructure deficit, fix the municipal fiscal imbalance, provide Canadians with the transit options they need, or help new immigrants settle.

The Budget

When will the minister start showing the same respect and commitment to our cities that he continues to show to his corporate buddies in the oil and gas sectors?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, it was about three weeks ago that a historic announcement was made in the greater Toronto area with respect to infrastructure. That is a commitment of about \$1.5 billion for urban transit issues, public transit, subway in Toronto, subway into York region, city of Mississauga, city of Brampton, region of York, region of Durham. These are all major infrastructure investments in transit.

I think that is what the member for Hamilton Centre is talking about. There are \$33 billion in infrastructure funding that is budgeted now and I am sure some of it will be spent in the area of Hamilton.

* * *

• (1505)

POINTS OF ORDER

COMMENTS BY THE MEMBER FOR MARKHAM—UNIONVILLE

Ms. Olivia Chow (Trinity—Spadina, NDP): Mr. Speaker, this morning, at around 10:44 a.m. to be precise, during the budget debate the Liberal finance critic, the hon. member for Markham—Unionville, claimed that the NDP voted against the Liberal 2005 budget and caused the former government to fall. That was dead wrong. Further, he claimed there was new money for affordable housing in the Liberal 2005 budget. He was wrong again. The NDP actually added money for affordable housing.

I hope the member will stop misleading the House.

The Speaker: I think we are getting into a debate. It sounds like a disagreement as to facts. The hon. member for Trinity—Spadina knows she has the tremendous advantage of being able to ask questions of the hon. member for Markham—Unionville at the end of his speech. There are times allotted for questions and comments at the end of hon. members' speeches. I am sure she would want to have raised the matter then. It is perhaps a little late to do it now, but she has evidently made her point.

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, of the amendment and the amendment to the amendment.

The Speaker: Before question period the hon. member for Glengarry—Prescott—Russell had the floor. He has three minutes left in the time allocated for his comments.

The hon. member for Glengarry—Prescott—Russell.

Mr. Pierre Lemieux (Glengarry—Prescott—Russell, CPC): Mr. Speaker, just before question period I was speaking on our most excellent budget. Allow me to summarize only some of its key elements.

First, there were \$7 billion in tax savings.

Second, having been married 21 years and being the father of five children, let me speak of our support for families. There is a \$2,000 child tax credit for each child under the age of 18. Ninety per cent of Canadian families will benefit from this tax credit and 180,000 taxpayers will be removed from the tax rolls as a result of this measure. In addition, there is a working income tax benefit of up to \$1,000 per family to help low income working families.

Third, we have eliminated the \$4,000 limit on annual contributions to registered education savings plans. We have provided \$6 million a year to combat the sexual exploitation of children and human trafficking.

Having personally served in the Canadian military for 20 years, I am pleased to reiterate that there are \$3.1 billion for national defence over the next three years. There are \$60 million for operational allowances for our brave men and women serving in operational theatres overseas.

We are appointing a veterans' ombudsman. We are providing \$19 million in 2007-08 and \$20 million a year after that to improve services to veterans. Not only do we salute our men and women in uniform, but we stand by them and are taking action.

As the MP of a rural riding representing farmers, there are \$1 billion in new funding for farmers, \$400 million paid directly to producers to help with the high cost of production and \$600 million in federal funding to kick-start new producer savings accounts. We are increasing the lifetime capital gains exemption to \$750,000 from \$500,000, therefore increasing the rewards of investing in farming. This is the first time it has been increased since 1998.

As the Minister of Finance correctly stated, Canada's farmers do not just feed our country, they feed the world. It is time we provided the kind of support that these decent, hard-working people of integrity deserve. We have heard from our farmers and listened to them, but most important we have acted.

We are a government of action and our budget is a budget of action. There are two words that best describe our budget: it delivers. Canadians could not be happier. Finally, they have a government that is acting for them. That is our Canada. Voilà notre Canada.

• (1510)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the budget delivers but not to everybody.

The member will probably know that the first \$36,800 of pension income is already taxed at the lowest possible rate. Therefore, pension income splitting for seniors does not benefit people who make less than that amount of money. It does not benefit seniors who do not have partners, such as widowers.

The Budget

It delivers but it does not deliver to all. Why do all seniors not benefit from the budget that was presented to the House?

Mr. Pierre Lemieux: Mr. Speaker, what kind of a question is that? He should speak to the seniors in his riding and to the seniors in my riding. Pension income splitting is a huge tax initiative that our government has taken to assist our seniors. Not only that, he has asked about seniors who do not collect pensions. We have increased the age exemption amount from \$4,000 to \$5,000. That is great news for seniors.

We have delivered tremendously for seniors.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, the budget provides almost nothing for single parents who need day care. That is their budget. Voilà.

The budget offers almost nothing for low income people. That is their budget. That is their Canada. Voilà.

The budget provides almost nothing for undergraduates. That is their Canada. Voilà.

The budget provides almost nothing for aboriginal Canada. That is their Canada. Voilà.

Mr. Pierre Lemieux: Mr. Speaker, that is a very interesting question, but I will do my best to respond.

Let me highlight some of the numbers associated with our budget.

There are \$39 billion in funds dedicated over seven years to restore the fiscal balance, the fiscal balance that the Liberal Party has consistently denied exists.

I have already mentioned that for families, we are introducing a \$2,000 child tax benefit for every child under the age of 18 to assist hard-working families. This will remove 180,000 taxpayers from the tax rolls and it will benefit 90% of Canadian families.

There are a number of other initiatives as well. We are talking about the working income tax benefit. This will benefit 1.2 million low income working families. There are \$6 million in additional funds for the RCMP to protect our children from sexual exploitation and human trafficking. I also mentioned the support for our military.

This is a budget that delivers for Canadians. Our government is a government of action and our budget is a budget of action.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I listened to the budget and listened for some people who were left behind. I recall that in 1996 a big change was made to employment insurance. The federal government made surplus after surplus. It balanced its budget on the backs of the working people who lost their jobs. It had a zero deficit on the backs of the people who lost their jobs. It has taken \$51 billion away from the working people who lost their jobs.

Could the member tell us if the budget helps the people who lost their jobs and if there are any changes to employment insurance, the program that belongs to the workers of our country?

Mr. Pierre Lemieux: Mr. Speaker, as I was explaining, this is a budget for all Canadians. It particularly helps the working Canadian, and I outlined some of the initiatives that we have taken to assist them. The one I am referring to most specifically is the working

income tax benefit to help low income families deal with the expenses of the day.

• (1515)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I am pleased to have this opportunity to speak to the budget.

I heard the member for Acadie—Bathurst say that the Liberal government had balanced the budgets. That is odd. We have heard over the past year that the our government did nothing.

I will be sharing my time, Mr. Speaker, with the member for Desnethé—Missinippi—Churchill River.

I have followed the debate, and I listened to the Minister of Finance yesterday outline his budget. There were a few areas with which I was pleased, and I will touch upon those. Overall, the budget did not just fail Ontario, but it failed other provinces in many ways. Danny Williams, the Premier of Newfoundland and Labrador, was very explicit with his comments the other day.

Earlier today in question period the Minister of the Environment talked about how he had not heard anything from Ontario members. The debate has just started.

Let me quote what Premier Williams had to say. He said, “The Prime Minister has betrayed the people of Newfoundland and Labrador” and he commented about Conservative MPs in his province. I think we got the message very well.

Premier MacDonald made the same kind of comment, but he was a bit more diplomatic in his choice of words. He said that the Conservative government had fundamentally been unfair.

When it comes to Ontario, the government has reneged on its commitment to transfer \$6.9 billion to the province. That was tossed out. I am disappointed that the voice from the provincial legislature has not been what it should have been, but a few crumbs were thrown its way, so it seems to be satisfied for now.

When the new Conservative government took over, it simply threw out all the commitments that had been made. I mentioned the one with respect to Ontario. Now I will mention the Kelowna accord, which is important to all of us as a nation. It reflects on what we are as Canadians, looking after the needs of all Canadians, especially our first nations people. A \$5.1 billion written commitment was literally tossed out.

Our health care system is probably the most important issue to each and every one of us in this place. As we have an aging population, we must ensure that programs are supported and that sustainability and long term funding is there.

Let me remind members what we did in our budget of 2005. The current Minister of Health was asked not too long ago about funding and his response was that the government would continue to support the efforts that the Liberals had put forth in their last budget. Therefore, no new money per se was put into health care delivery.

The Budget

On that subject, I must compliment the Conservative government for putting \$300 million toward cervical cancer treatment. This is similar to the immunization program the Liberal government brought in two budgets ago and it was applauded throughout the country. I must give credit where credit is due and for me. Given what is going on internationally, I think this is a very wise investment.

Earlier today in question period a member from the Conservative Party asked a question about how the government would address the environment, the carbon issue, CO₂ emissions, et cetera. When the Conservatives were elected, for a year or so the then minister of the environment was continuously asked by us what her plan was since her government had tossed out our recommendations. The current leader of the Liberal Party had put a plan in motion, offered it to the new government, but that plan was tossed aside. Every time we asked a question about the government's program, we were told we would have a made in Canada solution.

•(1520)

Then we did a bit of research and asked where the Conservatives stood. We had always had this feeling that they just did not believe in the science. We knew they did not believe in Kyoto.

Then, of course, we realized where the Prime Minister of today stood on it. I would like to quote for the record his idea of carbon dioxide. He said, "Carbon dioxide does not cause or contribute to smog, and the Kyoto treaty would do nothing to reduce or prevent smog". That is the Prime Minister's statement of June 10, 2004. He also made another statement on October 11, 2002. He said, "Carbon dioxide is not a pollutant".

As for the Minister of the Environment, I believe he was positioned there because he seems to be a very good speaker, and I compliment him for that, but suddenly today the Conservatives are up on their feet and they believe in the science, they tell a good story, and they seem to be camouflaging it with a few dollars here and there.

As I said in my opening statement, whenever we ask constructive questions their rebuttal is that we have done nothing. I was pleased that it was not I but the New Democratic member who said that we balanced the budgets. He used the analogy of the EI, which is another area I want to touch upon.

I recall what we inherited. We never entered this chamber and criticized the then Conservative government for creating high debts, high deficits and high unemployment. We just simply pulled up our socks and did what we had to do. I recall the corporate community out there saying to lower the unemployment premiums and give them a break and they would invest in creating jobs.

Let me remind all of us here, both those who are new and those of the class of 1993, that since 1993 we kept on reducing the EI premiums year after year. I heard nothing in this budget to address that area. At that time, members will recall, there was an unemployment rate of about 11.7% or 11.8%. As recently as 2006, when we lost the government, the unemployment rate had been reduced to 6.2% or 6.3%. Indeed, it was the lowest unemployment rate in well over 30 years.

Yesterday the Minister of Finance rebutted that in his comments. He said that we are at 6% unemployment. I compliment him on the

fact that we have gone down 0.2%, as we are headed in the right direction, but I am very disappointed as a former employer to know that these rates have not been addressed. I believe he has an obligation to address that area.

When it comes to tax relief, I asked a question some time ago. The lowest rate that we as the Liberal government had at that time was 15%. What did the new Conservative government do when it assumed office? It brought the rate up to 15.5%, yet again the Conservatives stand up and say they have been lowering taxes. According to the math I was taught, 15% is less than 15.5%.

I had the privilege of chairing the Subcommittee on International Trade, Trade Disputes and Investment for Canada. In those recommendations, we talked about our CAN-Trade initiatives. Canada can compete internationally. Yes, we produce goods and services to address the needs of our people here in Canada, but part of being competitive and part of creating new jobs within our country means that we go outside our borders to market our goods and services, thus creating economic prosperity for people.

•(1525)

At that time, through the recommendations, the Liberal government committed \$485 million over five years. In their budget the Conservatives committed "\$60 million over two years". I am just amazed at how they are able to camouflage it and present it to the nation as a great thing that has happened. What this simply means is that the Conservatives are putting in one-third, or two-thirds less than what we were putting into this program. I ask them to tell me, then, how we are going to be able to have the tools, the means and the ways to compete.

In conclusion, what the Conservatives have done is literally camouflage all these figures. I am disappointed that they have provided nothing for housing. I am very disappointed that they provided very little to a small number of students in post-graduate programs. That does not make for a competitive country.

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, I would like to ask the hon. member opposite a couple of questions. Obviously the member does not remember the over half a billion dollars that the government put toward homelessness initiatives earlier this year.

I would like to ask the member if he intends to vote against the \$300 million for the cervical cancer vaccine to help women and girls. It might prevent their deaths.

I wonder if this gentleman knows that the firemen in Canada have been coming to the Hill for 11 years asking for money to train them in hazardous material handling. That member, every time, voted no: it is not important to Canadians and I do not care about firemen. Does he intend to vote against this budget, which has money to train our firemen to protect our areas much better than before?

The Budget

I want to know if the member intends to vote against Medic Alert bracelets for children.

I want to know if the member cares at all, except for the rhetoric of getting nothing done and getting back to power versus doing the right thing for Canadians.

Mr. John Cannis: Mr. Speaker, it is that rhetoric and these lies that have poisoned the Canadian people, because the hon. member knows very well—

The Speaker: Order.

Mr. Gary Goodyear: On a point of order, Mr. Speaker, I rise to demand an apology from the member opposite.

The Speaker: The hon. member for Scarborough Centre will have to be careful. I do not know whether he was directly suggesting that the hon. member for Cambridge had said anything that was untrue. If he was, then I know he will want to apologize and withdraw the language. In any event, I would admonish him for using this kind of word in the House. It is unnecessary. He can rephrase his remarks, I suspect.

Mr. John Cannis: Mr. Speaker, I think the question put to me was that I did not support the firefighters. I challenge the hon. member to prove that. If he proves that I did not, I will be prepared to withdraw, because that was a very inaccurate statement that he made and he knows it very well.

Why am I going to vote? I am not voting against this budget. I am not going to vote for this budget on one issue because we see it as a whole. It is for the same reason that when we provided tax relief and money for health services under the Romanow report that those members voted against it. It is by the same reasoning, much as I outlined one program that I am very pleased with, that I cannot support the budget.

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I have paid attention to the speech delivered by my hon. colleague. We can understand the nervousness on the other side. It is obvious. They inherited surplus budgets. When we took office, we inherited a \$42 billion deficit. We were able to balance the budget. We were able to give a \$100 billion tax cut. We were able to create over three million jobs. I understand.

Unfortunately the budget has not been received as well as the Conservatives thought it would be received. I want to give my hon. colleague a chance to perhaps expand on the reasons why this Conservative budget has not been well received by Canadians.

• (1530)

Mr. John Cannis: Mr. Speaker, it has not been well received because it is totally misleading. I will provide one example.

The Minister of Finance said a couple of weeks ago that his government provided the largest tax relief program in the history of our country: \$20 billion over two years. I will remind everybody that in 2000 we provided, as the hon. member clearly pointed out, \$100 billion in tax relief over five years. If we do our math again, that works out to \$20 billion a year. I do believe I was taught that \$20 billion is much higher than \$10 billion, which is what the government provided.

This is what frustrates most Canadians. It is like what Danny Williams said: the government has literally misled us, us being the veterans, for example, and everybody. There is too much camouflage in the budget to make it believable.

Mr. Gary Merasty (Desnethé—Mississippi—Churchill River, Lib.): Mr. Speaker, I rise today to speak on the budget presented yesterday and I look forward to some discussion on this as we move forward.

On May 14, 2006, a *Meadow Lake Progress* editorial stated that with the 2006 budget, northern Saskatchewan communities “have been left behind”.

The editorial listed three major ways in which our communities have been left behind: first, no specific help for forestry workers and communities in Saskatchewan; second, nothing to help farmers with spring seeding; and third, abandoning the Kelowna accord.

It is unfortunate that a year and a budget later, little has changed. Once again, Saskatchewan forestry workers and industry have not been given any specific assistance, farmers will not receive any help for spring seeding, and of course the Kelowna accord has not been honoured.

Northern Saskatchewan is once again being left behind.

However, this budget is even more of a disappointment for northern Saskatchewan because of all the Conservative broken promises. Income tax rates have increased and income trusts have been taxed. There are no plans to reduce health care wait times. The promise of removing non-renewable resources from the equalization formula has been abandoned.

Let me first address agriculture. The agriculture announcement is all headline and no substance. After a year of the Prime Minister being distracted by fighting with farmers over the future of the Canadian Wheat Board, he forgot to deliver any assistance to them for spring seeding this year.

As the *Western Producer* reported on March 15, 2007, farmers and the provinces know they are being played as pawns by the Conservatives with the budget as well. This has given rise to frustration and cynicism.

Farmers know that the Conservatives are playing political games by claiming the budget must be passed in order for money to flow. Farmers need assistance with spring seeding now to pay for fertilizer, fuel and other costs of production.

The Prime Minister can and should deliver the money now but is leaving the producers waiting. There is no reason to wait. This aid needs to be delivered now. Farmers who need the aid now might not be in business by the fall or next year.

We must make no mistake: for the current government, farmers are on their own.

The Budget

On top of that, the farmer savings accounts that require provinces to buy in were unilaterally introduced by the Prime Minister without consultation. Provinces were caught by surprise by the announcement. No timelines or details have come out yet, making the announcement an empty headline.

Moreover, during the Prime Minister's photo op in Saskatoon, he could not resist taking potshots at the Saskatchewan premier even while admitting he needed the premier's support to create these savings accounts. So much for creating goodwill and working together.

The situation for Saskatchewan forestry workers, the industry and the communities is also deeply disappointing. In the past year, the Conservatives did not announce any Saskatchewan-specific plans to help workers or businesses. In the softwood managed trade agreement, they left \$1 billion of illegally collected duties in American hands and traded away half of Saskatchewan's traditional U.S. market share.

With tough market conditions, forestry workers and industry deserve a strategy about how to move forward. The Liberals had responded to this challenge by creating the five year and \$1.5 billion forest industry competitiveness strategy. This strategy offered long term stability and a plan to build sustainability for forestry communities.

However, the Conservatives abandoned that strategy. This has meant incredible hardship for Big River mill workers, who have been out of work for the past year, and uncertainties for Meadow Lake mills. The pain and uncertainty for these workers are real and the Prime Minister needs to offer his support to them. These workers deserve a plan. It is time the Prime Minister delivered it.

Northern Saskatchewan has also been hurt by broken Conservative promises. The Conservatives breaking their health care wait time promise by not offering any timelines or plans and the health minister's lack of leadership on health issues have hurt rural and northern communities.

However, other challenges also need immediate attention. Accessibility to treatment and facilities remains a major concern. Recurring doctor shortages in Spiritwood led to its hospital closing, forcing residents to travel at least an hour to get emergency care. For remote communities, there is double the hardship.

As for taxes, the Conservatives broke their word to lower taxes, hiking the lowest income tax rate to 15.5% in the last budget and refusing to cut it in this budget. Also, the amount that people can earn tax free has been lowered and the Conservatives refuse to increase it to the levels the Liberals had it at. This move has meant that tax credit savings for Canadians have been cancelled out or that their taxes have actually increased.

• (1535)

The broken income trust promise has been a bitter disappointment as well, as many relied on the Prime Minister's promise not to tax income trusts. His sudden move to tax income trusts took away \$25 billion from investors overnight.

But breaking the equalization promise is perhaps the most bitter of all for Saskatchewan. For over two years, Conservative members of

Parliament had vocally advocated excluding non-renewable resources. The member for Battlefords—Lloydminster changed from saying that “people were getting angry about equalization” to saying it was priority 11 out of 10. The member for Regina—Lumsden—Lake Centre switched from introducing a motion in support of the promise to saying he would “be happy with whatever announcement was made” by the Prime Minister.

With this broken promise it is clear that not one of them is willing to speak up for Saskatchewan. Their voices do not even amount to a whisper in the government.

Considering the amount cut by the Conservatives by scrapping the child care agreements and the Kelowna accord, the income tax rate hikes and personal tax free amount decreases and social program cuts to literacy, museums and youth investments, Saskatchewan is not even at a break-even point because of this broken promise.

As for aboriginal issues, the scrapping of the Kelowna accord and the meagre funding for first nations, Métis and Inuit, despite the quickly growing aboriginal population, hurts Saskatchewan in particular. The last year had already been very disappointing for aboriginal Canadians. Only \$150 million of new money was specifically dedicated to first nations, Métis and Inuit. With cuts to INAC and aboriginal health and languages totalling at least \$220 million, this means that funding was cut by about \$70 million, a net loss over the course of the last year.

What a loss scrapping the Kelowna accord has been. There has been more of a loss than simply the \$5.1 billion that was budgeted for economic development, housing, water and health. It is more than the loss of the new consensus reached between premiers and the aboriginal leadership.

The investments in the Kelowna accord would have provided increased economic development for all of Saskatchewan; more jobs for aboriginal and non-aboriginal workers, as investments in housing and water would have created a need for construction workers, water treatment specialists and housing firms; more economic activity, particularly for all northern Saskatchewan communities, as business opportunities would be created to meet the needs of suppliers, workers and capacity. Most important, investments in our youth for education and child care would have enabled aboriginal youth to achieve their goals in post-secondary education because they would have the necessary supports from their communities for funding and services.

The Budget

However, the narrow and short-sighted vision of the Conservatives never saw the Kelowna accord for the opportunity it held for Saskatchewan. They saw it as something to cut. With this cut they have cut down the aspirations of many first nations, Métis and Inuit youth, youth who deserve much better, youth who are the competitive advantage of a new Saskatchewan. Without investing resources, this will increase the social pressures upon which these young people have to survive and battle every day.

A few weeks ago I was in Sandy Bay, a community that suffered through several suicides by despondent youth. The small community was in shock, reeling from the loss of so many lives. Many spoke about how they needed hope, jobs and something to do, someone to talk to. Community members came together in the face of this tragedy. The many divisions of the town joined together: Métis, first nations and municipal; health, justice and leadership; youth, elders and parents. They all came together for a common cause, the young people who needed the attention in order to survive and prosper in the new Saskatchewan.

This is what the Kelowna accord was about for Canada, all Canadians united, working together, a meeting ground, an understanding, a commitment to get the work done that needed to get done.

At their meeting, Sandy Bay residents spoke of their considerable need. They need resources for health, basic infrastructure, community halls, youth centres and such. Will they be able to achieve that? Only if we, the Liberals, the NDP, the Bloc and Conservatives commit once and for all to respect that it is people in those communities that have the answers and we exist only to empower them. We cannot afford to waste any time.

• (1540)

Mr. Brian Fitzpatrick (Prince Albert, CPC): Mr. Speaker, last Friday I had the pleasure of announcing on behalf of the minister continued funding for the new horizons program, which will bring 660 high quality jobs in the oil sands project for people in the member's riding. We are getting things done and we are putting money where we get results.

I listened with interest to the member's comments about equalization. There is some \$870 million of new money in Saskatchewan as a result of this budget. In total there is \$1.4 billion when we factor in the per capita increases in education and social transfers.

The member should be well qualified to answer my question. The O'Brien report said that there should be a cap on equalization programs, the point being that provinces that receive equalization should not be doing better than the provinces that do not receive equalization. I am going to ask the member who is from a northern Saskatchewan riding whether he agrees with the concept that provinces that receive equalization should not be able to do better than the provinces that do not receive equalization.

Mr. Gary Merasty: Mr. Speaker, one of the things that we have to realize in Saskatchewan is that we have dipped in and out of the ability to be a have and a have not province. One of the future successes of remaining a have province is to exclude the non-renewable resources that the province generates, which is exactly the promise that the Prime Minister made.

I think a more relevant question would be why the Prime Minister and the members from Saskatchewan would make that promise, make strong moves toward implementing that promise in various comments and correspondence, but actually not do it at the end of the day. This hurts Saskatchewan. This hurts the future prospects of many opportunities that could otherwise be realized in Saskatchewan over the next little while. To me the real question is why that promise was broken.

Hon. Maurizio Bevilacqua (Vaughan, Lib.): Mr. Speaker, I want to congratulate the hon. member for an excellent speech and for giving an overview of the impact of the budget on Saskatchewan. I want him to expand on that particular issue.

We have seen time and time again how the government is cutting in areas such as literacy, the renegeing on the Kelowna accord, the opportunities missed, the inability of many people in this country to fulfill their own promise as individuals, to achieve their full potential.

Could the hon. member comment on the reaction he has received from the people he represents, his constituents, on this budget?

Mr. Gary Merasty: Mr. Speaker, speaking to residents in Saskatchewan, residents from the aboriginal community, residents from the non-aboriginal community, Saskatchewan is the only province in the country to have the oldest and youngest population at the same time.

The youngest population is primarily aboriginal. There is a huge labour force gap right smack dab in the middle. There is anger in our province over the breaking of the promise, over the lack of investment in post-secondary education, employment skills and training and in literacy. People in Saskatchewan are completely dumbfounded that Saskatchewan was totally cut out of the Conservative budget that was presented yesterday. There is absolute anger in the streets. People cannot believe that they are, in their own words from what I have heard, being taken for granted. They do not appreciate being taken for granted and they will speak loudly with their feet the next time.

• (1545)

Ms. Tina Keeper (Churchill, Lib.): Mr. Speaker, I would like to ask the member, after his carefully thought out speech, about the investment in child care spaces.

The Conservative government did not create one new child care space in the last year. The Conservatives talked about the \$250 million that they are going to invest in child care spaces. Could the member speak to that in terms of first nations?

Mr. Gary Merasty: Mr. Speaker, as I have said, the fastest growing segment of the Canadian population is the aboriginal population. There has been virtually no investment and no consideration for the child care needs of first nations, Métis and Inuit communities in this country. That is a shame.

The Budget

Hon. Helena Guergis (Secretary of State (Foreign Affairs and International Trade) (Sport), CPC): Mr. Speaker, I will be sharing my time with the Minister of Public Safety.

I am proud to stand here and speak to our government's 2007 budget, "Aspire". The contents of this balanced budget will undoubtedly allow Canadians to aspire to great things as it will cut taxes for hard-working Canadian families. The budget will invest in priorities like health care, the environment and infrastructure, including roads, bridges and public transit. It will restore fiscal balance by giving the provinces the resources they need to deliver the front line services that matter to Canadians.

It is amazing that Canada has a \$1.5 trillion economy. This means a responsible government must make choices that strike the right balance.

As we promised in "Advantage Canada", our government's long term economic plan for Canada, we will take historic action by moving to restore fiscal balance through long term, predictable funding. We have done just that.

I know the citizens in my riding of Simcoe—Grey will appreciate the fact that we are reducing the tax burden and making life a little easier for hard-working Canadian families. With initiatives like the tax back guarantee and our working families tax plan, there will be a little more money in the pockets of every Canadian. I am very proud of our government and our Prime Minister.

After 13 years of the Liberal Party's look the other way policies, we are cracking down on corporate tax avoiders to restore some semblance of fairness to Canada's tax system. As the Prime Minister said last weekend, "We will let the Liberals defend the vested interest and the loopholes of those associated with the previous government".

This budget is all about making our strong economy even stronger and providing the necessary tools so Canadians from all walks of life can reach their full potential.

Canada's new government knows that by creating a climate of hope and opportunity, Canada can be an example to the rest of the world of what a truly great, prosperous and compassionate nation can be. It is in this vein that I am particularly proud.

As the Secretary of State for Foreign Affairs, International Trade and Sport, I am proud to be part of a government and a ministry that are once again making Canada a respected name on the international stage.

Whether it is in sport or international affairs, as Canadians we take great pride in our historical reputation on the international stage whether it be as world medallists, diplomats, peacekeepers, or soldiers on the battlefield.

In sport, I am proud that we will accelerate our contributions to the own the podium program. This exciting initiative will ensure Canadian athletes can achieve success in international competition, especially at the Vancouver Olympics in 2010.

We are proud to make a significant investment in Canadian heritage sports, such as lacrosse and three down football. This

money will ensure Canadian-specific sports will continue to thrive in Canadian society.

On the international stage, Canada is once again respected, whether it is our ardent defence of human rights in consular cases, such as the defence of Mr. Celil in China, or our commitment to the people of Afghanistan, our commitment to the many peacekeeping missions in which we are currently engaged, or our commitment to reducing global poverty and aiding international peace and security.

In last year's budget we committed to doubling our international assistance by 2010-11 from what it was in 2001-02. I am proud to say that budget 2007 will increase the resources devoted to poverty reduction and international peace and security by establishing a three point program to enhance the focus, efficiency and accountability of Canada's international assistance efforts. We will provide \$200 million in extra support for reconstruction and development in Afghanistan, with a focus on new opportunities for women, governance, enhanced security and combating illegal drugs. We will also invest \$115 million in the innovative advance market commitment led by Canada, Italy and the United Kingdom to create a vaccine for pneumonia, expected to save more than five million lives by 2030.

Our government is committed to helping Canadian companies succeed in global markets. The global commerce strategy offers real solutions to challenges arising from the global economy.

Budget 2007 provides \$60 million over two years to advance three core objectives: negotiate bilateral agreements with our trade partners to improve market access for our exports; protect and promote investment; and facilitate science and technology cooperation.

• (1550)

It will also reinforce our presence in the U.S. market by directly engaging the private sector and networking with governments. We will enhance commercial services in new markets by opening offices in Asia.

Moreover, the government will introduce new measures to enhance Export Development Canada's ability to make strategic equity investments in order to encourage greater participation by small and medium sized Canadian businesses in emerging market opportunities.

With respect to mission security, our government takes the responsibility to ensure the safety and security of our diplomats seriously. The realities of today's world mean we need to strengthen the security of our missions to advance Canada's interests in a more complex world.

To this end, budget 2007 will invest an additional \$11 million over the next two years to enhance the critical infrastructure of foreign missions. Enhancements will include improvements to closed-circuit televisions, exterior lighting, enhanced visitor screening, vehicle barriers and more rigorous surveillance.

The Budget

Canada, to put it plain and simple, is making the world a better and safer place for all citizens of this planet. Canada's contributions in particular to Afghanistan are helping to rebuild a nation that has for decades been a country torn apart by war and the tyranny of the Taliban. But things are changing in Afghanistan.

Unlike the decade of darkness under the Liberals, Canada's Conservative government is once again ensuring we live up to our UN and international obligations. Budget 2007 will help Canada to aspire to great things and we will continue to work with our partners in the international community to help rebuild Afghanistan.

While the opposition plays politics with our troops, our aid workers and diplomats on the ground, this government is getting the job done by committing real support to our men and women on the ground whether they are soldiers, diplomats or aid workers. Unlike the Liberals who just talked the talk and did not back any of their words up with money or support, this government is walking the walk and we are putting our money where our mouth is and we are getting the job done.

Let me remind the opposition of Canada's successes in Afghanistan which can only remain successes if we remain committed to the mission. Five million children, one-third girls, now go to school. This is a 700% increase since 2001. We have 363,000 teachers and now they have teaching materials. Over seven million Afghan children have been immunized. We also have microfinance programs for over 300,000 Afghans. It is important to note that 72% of these microfinance programs are for women who have started their own businesses.

We have four large water reservoirs and 55 pipe schemes that have been built to provide 1.3 million Afghans with water. We have 100 kilometres of irrigation canals that have been rehabilitated, 150 kilometres of new roads and bridges, 50 kilometres of electricity lines, and 10 transformers and 42 generators.

Canada's new government is getting results in Afghanistan where the former Liberal government simply did not. This is real progress and it was the vision of the Afghanistan compact which was for a secure, self-sufficient and democratic Afghanistan to realize the aspirations of its people.

Budget 2007 also demonstrates our commitment to strengthen Canada's aid program. We will strengthen this program both in terms of financing and improvements to ensure that our aid dollars are actually reaching those who need it most. Last year we committed to doubling our aid budget by 2010 from the 2001 levels, but with our budgets 2006 and 2007 combined. We have gone beyond this doubling commitment by providing \$635 million in additional aid resources.

While adding more aid money is indeed helpful, what is also important is ensuring that these aid dollars and aid resources work more effectively. *Aspire 2007* lays out a clear and impressive agenda to do this by strengthening the focus and improving the efficiency and accountability of our foreign aid.

I am conscious of my time, but let me reiterate just how proud I am of this government as we aspire to do great things for and on behalf of Canadians. Once again the pride of Canadians is on the

rise. No longer are they governed by a government embroiled in scandal that distracted the nation from doing everyday business.

Canada's new government is creating a climate of hope and opportunity. We can be an example to the rest of the world of what a truly great, prosperous and compassionate nation we can be.

• (1555)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I have to question the commitment of the government, certainly the lack of commitment through this budget, to the sporting community in this country. The minister talked about the own the podium program. There was no new money for own the podium. The money was accelerated and that was it. Nothing for the road to excellence program. That turns our back on our summer athletes, those going to Beijing and those going to London in 2012. Zero support for those athletes.

However, the most obvious and prevalent loss through this budget is the campaign promise that was made by the Conservatives back in the last election. They have had two shots at it now and that is 1% of the health budget for sport. There is nothing in this budget on that. Why has this sport minister thrown in the towel on sport in this country?

Hon. Helena Guergis: Mr. Speaker, I will not thank the hon. member for his question because he is very wrong in some of the comments that he has made.

The government has made substantial commitments to sport in Canada. In particular, he referred to summer sports. In fact, every year we give \$45 million to summer sports and over 1,200 athletes receive direct funding from Sport Canada to help them achieve their goals in order to win at the Olympics or compete internationally. The hon. member is quite wrong.

With respect to own the podium, we recommitted our support for it. Own the podium wanted us to advance to it the money it needs. We are very much in favour of supporting the Olympics, international athletes, and all athletes across the country for that matter.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I want to ask the Secretary of State for Sport a question also regarding sport. In particular, it is about the World Police & Fire Games that are going to be held in the lower mainland of British Columbia and the city of Burnaby in 2009.

Recently, the government turned down a request from the organizing committee to be a sponsor and help fund these important games that will see 12,000 police and fire personnel from around the world gather in the lower mainland of British Columbia. In fact, right now they are gathered in Adelaide, Australia. The mayor of Burnaby is there to bring home the ceremonial torch for the next games.

The Budget

In the past the federal Government of Canada has supported these games and most recently when they were held in Quebec City in 2005. It is very important for our fire and police personnel to have this important opportunity to meet their colleagues from around the world. It is also very important to the communities that host these games because of the positive economic value that the games bring to those communities.

I would ask the Secretary of State why the government has turned down this request? Why is there no money in the latest budget and why the government will not support the men and women of our police forces and fire departments in hosting these important games?

Hon. Helena Guergis: Mr. Speaker, just a little over a week ago I had the opportunity to meet with the firefighters and police specific to this request. I explained to them that our sport hosting policy does not provide for the Canadian government to give them money to carry out their event, although I came away from that meeting having made a commitment to them that I would look to see exactly what we may be able to do.

It is important to point out that the entire B.C. caucus has approached me on this, that the government is working with this group, and we will find a solution for them that will be acceptable.

• (1600)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I would like to ask the Secretary of State for Foreign Affairs and International Trade a question.

We started team Canada, which was leading and trading around the world, and now it is retreating. The government is closing consulates. Why is it reducing Canada's role in the world? I would like to know specifically, is the government closing consulates in Japan, St. Petersburg and Milan, and are there any others that will be closed?

Hon. Helena Guergis: Mr. Speaker, as I said in my speech earlier, we take the responsibility to ensure the safety and security of our diplomats very seriously.

With respect to the global commerce strategy which we are launching in budget 2007, we will be helping Canadian companies succeed in global markets. That will include having some enhanced commercial services in new markets by opening offices in Asia, which the member was specifically asking about. This is the path that we are going down.

In answer to his specific question, the services that he is talking about have been eliminated. We continue to have services in Rome, Moscow and Tokyo, and Canadian embassies will serve those constituents.

Hon. Stockwell Day (Minister of Public Safety, CPC): Mr. Speaker, predictable partisanship goes on in a budget debate. The government presenting the budget is quite rightly proud of it and of course the opposition parties have difficulty recognizing its positive nature.

I would like to focus on the sheer statistical reality of this budget. People can argue about whether they think a certain thing is a good idea or not, but there are some things this budget will accomplish which will be of truly historic proportion and that should be noted and acknowledged.

First and most important is the whole aspect of fiscal imbalance. For decades and possibly for more than a generation, there has been this question of fiscal imbalance. Most Canadians, myself included for many years, have had difficulty understanding it because it is a complex issue, but because it is complex does not mean there is no solution to it.

Fiscal imbalance is the situation where in the perception of the provinces and territories there is an abundance of taxpayer dollars lodged at the federal level. They feel it should be spread around on an equal basis in such a way that they will have the capacity to deliver essential services.

It is acknowledged that from time to time in the history of a country various provinces or territories may or may not have the capacity to deliver approximately comparable services. At times when they do not have that capacity, there is this sharing at the federal level of the dollars that sit there. It is a constitutional item. That is in essence what the program talks about.

For perhaps a generation or more federal governments have used this as a political tool and it has been built up by an ad hoc system of how much money should go to a given province at a given time. The Prime Minister and the finance minister made a commitment to once and for all come up with a formula-based, rules-based program where there would not be any argument anymore, or so they thought and hoped, and where there certainly would not be a sense of depending on which party was in power could affect how much money a province would receive.

They came up with a formula based on recommendations in the O'Brien report that at least took the argument out of whether a province received preferential treatment or not. That has happened. This is of historic proportions.

We now have a formula in place in the area of equalization that is rules-based and formula-based, and one which has taken out the ad hoc system which has been used by previous governments just to try and bend the will of people for political gain.

With that formula now in place some provinces are indicating that they are not happy with it. Some concerns have been raised in British Columbia. Even a good friend of mine who is a minister in the government there has raised some issues. The issue of British Columbia's share is an interesting one because British Columbia is called a have province.

When we are talking about provinces, countries, cities or individuals, prosperity and poverty do not happen by accident. An exception to that rule would be a windfall of some kind for a province, or a country, or an individual. Then there will be prosperity at least on a temporary basis. A disaster can strike an individual, a city, a province or a country and there can be poverty at least on a temporary basis. Other than these instances, both prosperity and poverty occur in most cases because of certain principles being applied or not applied.

The Budget

The people of British Columbia finally rid themselves of the socialist government that had plunged that province into an economic morass for years. I was in Alberta at the time and business was coming from B.C. in streams because of the poorly thought out, socialistic approach to governance and to economic issues. B.C. was spinning down and becoming a have not province.

There has been a Liberal government there for a few years, and I use the word Liberal because that is what it calls itself so it is with some reticence obviously, and is it perfect? No it is not. No government is perfect. The trend has been reversed and there is economic prosperity. Things have turned around. Is there prosperity for everybody? No. It is not perfect, but it is a lot better than what it used to be.

• (1605)

With its new government, British Columbia, hopefully, will never need to draw on the equalization formula. However, should something happen, by accident or some other reason, that turns things around economically in British Columbia, the same formula that is being applied to Quebec, to Ontario and to Newfoundland and Labrador today, will be applied to British Columbia.

In spite of the adjustment, \$4.7 billion will go to British Columbia this year because of this formula. A member just said that is a lot of money. We have \$3.1 billion just in the health transfer alone and another \$1.3 billion in the social transfer which is for post-secondary education and other issues related to that. B.C. is definitely benefiting from this particular budget.

It has also been raised that there is nothing in the budget for British Columbia this year for the pine beetle infestation problem. This is a problem that was ignored by the federal Liberals when it first was identified quite a number of years ago. Now it has devastated the forest industry in many of our communities and a commitment was made last year, which is being maintained, a \$1 billion commitment over 10 years to deal with the beetle infestation problem and all of the negative effects of it. The money was announced last year and it is there again this year.

Those were some of the issues that people in British Columbia have raised. I am pleased to see the benefits that the people of British Columbia will be receiving from this particular budget.

Let us look at some of the approaches to prosperity and how the budget is based on those principles. The government recognizes the importance of families and the importance of children and the costs that go with that. Though we are told children are a blessing, and those of us with kids will generally acknowledge that, though from time to time we have our moments, but to acknowledge the raising of children there is a child tax credit in place of \$2,000 per person for every child. That money is in addition to last year's child care benefit that is in place. That means \$174 million for British Columbians.

Another thing of historic proportions that happened in this budget is that the so-called marriage penalty has finally been eliminated. The process by which a working spouse would be graded at one level of taxation, a spouse who is working in the home, which is also full time if not overtime, was not given the same benefit as two individuals living together under the same roof. We and families have been asking for years why we have that marriage penalty. We

took that out and we raised the spousal benefit. It is the first time in history that has happened at the federal level. Thirty-five million dollars will go to B.C. just because of that adjustment alone.

On day care, \$250 million was committed across the country, \$87 million of which will land in B.C. for the creation of child care spaces, along with the program that will continue to allow parents to be compensated for the child care of their choice. It will no longer be the Liberal type approach of one way only. It will be a proper approach of allowing the parents to decide.

For farmers, \$60 million will land in B.C. because of what we are doing on the farm programs in this budget.

For seniors, another thing of historic proportion, we have raised the level at which they can maintain their retirement savings, not just until 69 years old when they must transfer their money into a RRIF but up to 71. It was not too many years ago that the Liberals knocked it down from 71 years old to 69. We have raised it back up, along with income splitting.

There is \$30 million for the Great Bear Rain Forest.

Cities will be able to have predictability because the formula now related to the GST. It is not just 57% of the GST rebate that goes to cities but now it will be 100%. The gas tax formula will now be maintained into the future for years.

People in Penticton, Summerland, Westbank, Merritt, Logan Lake, Naramata, Peachland—I hope I have not left anyone out—the hard-working, locally elected officials will have some predictability in terms of what they can see in terms of growth in infrastructure because our region is growing. It is the most beautiful region in all of Canada with the most wonderful people. People from the entire country are going there, not just to retire but to invest and to grow.

This budget will meet the needs and the environmental needs that we are so concerned about.

• (1610)

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I know this House and myself personally hold the member in very high regard. His explanation with respect to the fiscal deficit is probably one of the most logical and circumspect ones that I have heard. However, there is one area that bothers me in terms of this budget and it has more to do with the spirit with respect to the relationship to cities and municipalities.

A partnership was developing with the federal government based on the recognition that the very objectives that the member outlined, in terms of cities and communities, could be best met by working in partnership with those levels of government. The treasurer had indicated that it was time for each level of government to look after their own knitting.

The Budget

Does the member agree with that particular perspective and does that mean that those partnerships that evolved in a non-partisan way are being abandoned and that we will not be able to get on with governance within this federal system that will serve the interests of communities across the country, in particular with respect to the social and infrastructure objectives that the member has outlined?

Hon. Stockwell Day: Mr. Speaker, that is a fair question. As we know, in our country, which has three levels of government, municipal, provincial and federal, there can be and there is a lot of overlap. I am sure the member will agree, just as do my constituents, hard-working people raising families, looking to their retirement, going to school or whatever they might be doing, are not that concerned with which level of government is administering. They just want to know that their needs will be met in the most efficient way.

Our new Government of Canada, under the leadership of the Prime Minister, has tried to bring things back into focus so that the most efficient ways of getting the dollars to people are achieved, which is why we will be working with the provinces in many areas and passing the transfer dollars on to them so they can meet the needs of the municipalities. One of those areas is the 2,500 police officers who have been promised to municipalities across the country.

I met with the mayor of Vancouver this morning and explained to him that he needs to take those concerns to the provincial level so we can translate that down into what will be the needs for the province and at the municipal level which they can channel that way. Some programs go direct to the cities, like the national crime prevention program for which we delivered dollars just last week into British Columbia. There is no abandonment here but there is a desire to have it nice and clean and efficient in terms of working.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I have a specific question concerning the infrastructure at the Windsor-Detroit corridor, which is actually in the budget. I saw a notation in the budget that in 2007, \$400 million will be set aside for the connecting road that will be required to get to the new border crossing.

The concern I have is that it is only in for the 2007 year and this infrastructure piece will be required at a much more significant cost if it is to have tunnelling and other types of environmental important work that is necessary to meet the needs of the municipality and also the proficiency of the amount of traffic that goes along this trade route.

Why did this not get multi-year funding similar to the project team, for example, which received three years of multi-year funding to actually oversee this? Is that because the government will not fund this in the future? Why was it not provided the multi-year funding that, for example, the Pacific Gateway got or, similarly, the other plans in the budget that gave them multi-year funding? Why is it excluded for this particular project?

• (1615)

Hon. Stockwell Day: Mr. Speaker, the member for Windsor West has, a number of times, made significant interventions in terms of the challenges that are faced in that area. I will just refer to the Ambassador Bridge. The amount of trade that goes across the border

from Detroit to Windsor is more than the entire trade the United States does with the nation of Japan. It is a huge amount. That is just on that bridge.

He is talking about other corridor infrastructure areas. We are committed there in a multi-year way. As the member for Windsor West knows, there are some decisions still yet to be made that require local input in terms of where some infrastructure may be going. There are questions relating to the added crossing and the pre-clearance facilities. Some of those need to be settled at the local level and passed on to the provincial and federal levels. We will look at those. However, there is a multi-year commitment and we will identify it year to year as it moves along.

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I will be sharing my time today with the member for Acadie—Bathurst.

I am delighted to participate in this debate today, both as the NDP critic for seniors and pensions, but more importantly, as the member of Parliament for Hamilton Mountain.

During the last two weeks that the House was not sitting, I spent every day talking to people at their doors and in my community office, meeting with groups and attending community functions. Everywhere the message was the same. People are increasingly recognizing the existence of a prosperity gap in Canada. They do not feel that they are benefiting from the economic growth they keep hearing about, and they are right. The numbers back them up.

Not only is there a growing gap between the rich and the poor, there is also an alarming erosion of economic security for middle class Canadians. I stood in the House yesterday, before the budget was tabled, and relayed what ordinary Hamiltonians told me that their priorities were for achieving some fairness. Now that we have the budget in hand, I would like to evaluate it in that context.

Did the budget close the prosperity gap for people on Hamilton Mountain who are working hard and playing by the rules but who are finding it harder and harder to make ends meet? Let us look at each of the items I raised yesterday in turn.

I spoke about the desire among my constituents to see some significant property tax relief through federal investments in urban infrastructure. In a community where our aging infrastructure is leading to regular flooding, poorly maintained roads and constant struggles to expand public transit while keeping fares down, Hamiltonians had hoped for a serious investment in our city. Ratepayers cannot afford to shoulder the additional burden of these essential investments solely on their property taxes.

These are precisely the hard-working families that the government says that it wants to support, but instead of making the infrastructure investments that would relieve our local tax burden, the infrastructure spending that the budget actually entails is money that will flow to the provinces, not directly to the municipalities, and it must be spent on public-private partnerships.

The Budget

For anyone not familiar with the significance of the P3 stipulation, let me just remind them of Highway 407 where a public asset was turned into a toll road to satisfy the voracious revenue appetite of the private sector. That arrangement is costing Hamiltonians dearly and the last thing we need are more such infrastructure investments that end up costing us over and over again.

On public transit, the budget is virtually silent. There is absolutely no new dedicated money for transit. In short, the most basic needs of our municipality have gone unmet.

Second, I called yesterday for a manufacturing sector strategy. Hamilton has lost thousands of decent paying jobs as a result of restructuring and plant closures. Not only is the budget silent on strategic investments to Canada's industrial heartland, but it ignores the plight of displaced workers as well.

This budget offers no support to older and laid off workers. It is silent on employment insurance. It fails to protect the wages and pensions of workers in cases of commercial bankruptcies. To add insult to injury, it keeps in place almost \$9 billion in corporate tax cuts over the next four years. Clearly, this budget was written more for those at the boardroom table than for hard-working families around the kitchen table.

Equally galling is the fact that this budget fails to address the needs of transient workers. We have significant labour shortages in parts of our country with decent paying jobs beckoning workers from other regions but this budget does nothing to remove the barriers to accessing those jobs.

This is particularly true for workers in the building trades who often go to job sites for a limited amount of time until a project is complete. The building trades have been lobbying for over 30 years to be able to deduct their accommodation and meal expenses from their income taxes when they work at a job site that is more than 80 kilometres away from their homes. They and I had hoped that this issue would be addressed in this budget.

I have a private member's bill, Bill C-390, on the floor of this House that would do precisely that. I had indicated to the Minister of Finance that I would be happy to see progress on this issue regardless of whether it was through the passage of my bill or through a government initiative. In the end, the government sat on its hands. Again, it could not help but add insult to injury by increasing the meal allowance for long haul truckers from 50% to 80%.

All the building trades have asked for is a little bit of fairness. The government's inaction comes as a slap in the face.

The third issue my constituents raised with me was the gouging that has been happening at the pumps. For people who require a vehicle to get to and from work each and every day, nothing has had a more direct inflationary impact on their household budgets than the price of gasoline.

Where is the federal watchdog to ensure that hard-working families are not being hosed? Where is the relief? Instead, ordinary Canadians learned yesterday that they do not rate. Instead of helping them make ends meet, the government continued its billion dollar subsidies to the oil and gas industries for the next three years, with a complete phase-out not even in the picture until five years after that.

• (1620)

Again, the rich are getting richer while hard-working Canadians are struggling to make ends meet. The budget did nothing to close the prosperity gap.

What about those who are living at or near the poverty line? Yesterday's budget created the working income tax benefit, purportedly to help the lowest income earner. In fact, it does nothing to help those who are making the minimum wage. While serious initiatives to help the most vulnerable in our communities are always welcome, the government should have sent a resounding message that in a country as wealthy as Canada it is completely unacceptable that someone who is working 40 hours a week at minimum wage is still living below the poverty line.

In the absence of showing a willingness to move toward a living wage by setting the federal minimum wage at \$10 immediately, the budget has done little to close the prosperity gap.

I also called yesterday for investments in post-secondary education. Again, the government would want hard-working Canadians to believe that it has moved aggressively on this file but let us take a closer look. These investments create scholarships for graduate students, but do nothing for those who are working on their first degree. These are precisely the students who are weighing whether they can afford to get the education they need to participate in the knowledge based economy against a potential average student debt of more than \$24,000.

A budget that does not address student debt and student loans does nothing to enhance access to post-secondary education for children in modest and middle income families.

With respect to yet another key priority for residents on Hamilton Mountain, it is good to see that the government is at least taking baby steps forward with respect to the environment. However, it is obvious that the government has not spent a great deal of time thinking about this issue and is offering little more than the symbolic gesture that the Liberal leader gave Canadians when he named his dog Kyoto. There is no serious commitment in the budget to the Kyoto accord, to mandatory fuel efficiency standards or short, medium and long term targets for cutting greenhouse gas emissions.

The following is perhaps the biggest missed opportunity in the budget. The Conservatives are offering a \$2,000 tax credit on the purchase of green cars, but sadly the vast majority of these vehicles are being built in Japan and in the United States. Indirectly they are subsidizing foreign car manufacturers. Instead what they should have been doing is investing in the environment and in Canadian jobs by supporting the production of green cars right here in Canada, but nowhere in the budget do we find an auto sector strategy.

The Budget

Moreover, the carbon tax that is going to be imposed on vehicles that are not fuel efficient is going to impact the very middle class families that the government says it wants to help. Parents who are driving their kids to hockey, soccer and baseball games are buying the minivans. Neither the \$310 child tax credit nor the \$500 children's fitness tax credit will compensate for the up to \$4,000 surtax on their minivans.

I have one last point on the environment. I was pleased to see the cleanup of Hamilton Harbour get at least a cursory mention in the budget, but an \$11 million allocation for cleaning up contaminated sediment in Hamilton Harbour as well as the Niagara River, the Detroit River, St. Marys River, Thunder Bay, Peninsula Harbour, St. Clair River and Bay of Quinte is clearly wholly inadequate. The city of Hamilton alone had asked the federal government to contribute \$30 million toward the cleanup of Randle Reef.

Equally inadequate is the government's investment in health care. While some new initiatives are being funded, the top of mind concerns of families in Hamilton are not being addressed. There is no mention in the budget of training and hiring new health care professionals to deal with the doctor shortage. There is no investment in pharmacare to help people with their drug costs. There is no investments in home care to allow seniors to live independently in their own homes longer and to take some of the burden off their children who all too often are becoming primary caregivers by default. There is no investment in long term care despite the fact that many acute care beds in our hospitals are tied up needlessly because chronic care beds are not available.

The seniors whose tax dollars built our health care system deserve to have it be there for them at a time in their lives when they need it most. The same is true with respect to their retirement income. The budget is a disgrace when it comes to its treatment of seniors. It brags about the fact that it allows seniors to work longer when in reality most seniors only continue to work because they cannot afford to retire. In Hamilton 25% of seniors live in poverty and 36% of single women over the age of 75 live in poverty, none of whom I might point out can benefit from pension splitting because they either never had or no longer have a partner or a spouse.

Announcing through the budget that seniors should now count themselves lucky because the government will allow them to be Wal-Mart greeters is hardly a strategy for allowing seniors to retire with the dignity and respect they deserve.

Seniors had hoped for increases to the OAS and GIS. They had hoped that the tax rate for the lowest income bracket would be dropped from 15.5% to 15%, where it was before the budget of the Conservatives of last year. They had hoped for new affordable housing and expanded public transit. They had hoped to be reimbursed for all the full amount that the government shortchanged them as a result of Statistic Canada's mistake in calculating the consumer price index. None of these things were delivered in the budget.

• (1625)

By definition, seniors cannot wait forever. For a government that supported my seniors charter in June last year, it has shown itself contemptuous of both the will of the House and the very real needs of seniors.

The Acting Speaker (Mr. Royal Galipeau): Order, please. 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 Hamilton East—Stoney Creek, Foreign Affairs; the hon. member for Saint-Bruno—Saint-Hubert, Wage Earner Protection Program Act.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I was somewhat disappointed, not only with the approach of the hon. member but with the approach of the leader of the NDP.

This morning the leader of the NDP was interviewed on national television about the budget. He was asked the question, "What things do you support?". He would not answer. He was asked again, "What in the budget could you support?" He refused to answer. He simply bridged out of the question.

That is my frustration. I had assumed we were going to have a robust and also a fulsome, forthright and honest debate on the issue. Perhaps I was expecting too much.

I will simply reiterate the question I asked her leader this morning. I am looking at the budget highlights. I am looking at a working income tax credit of \$1,000 to help the working poor over the welfare wall. I am looking at extra support for parents of disabled children so they can set up something like an RESP. There is a \$2,000 family tax credit for each child under the age of 18. I am looking at some extra support for seniors such as increasing the RRSP age to 71 from 69.

Which of the items that I have enumerated would the hon. member cut from the budget, since she does not support it?

Ms. Chris Charlton: Mr. Speaker, I make absolutely no apologies for standing up for the interests of my constituents in the riding of Hamilton Mountain. I am relaying to the House what I have heard on every doorstep.

I appreciate the member may think that allowing for the creation of RRSPs and greater contributions or enhanced contributions under RESPs may be his vision of how people can get their way out of poverty. The reality is those who are most in need do not have money left over at the end of the month to invest in RRSPs. Those are the people for whom we are fighting. That is why we cannot support the budget.

Disproportionately corporate tax benefits total up to \$9 billion. Those who are most vulnerable in my community will receive nothing. I did not say the budget had no baby steps forward. I said, on balance, the budget does very little to close the prosperity gap. That is what we are fighting for in the House. That is why we cannot support the budget.

The Budget

• (1630)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on Halloween, the government announced that it was going to tax income trusts. About two and a half million Canadians who had those investments found that about \$25 billion of their retirement nest eggs were wiped out in just two days.

The New Democratic Party knows that most of these people are seniors, people who had put away for their retirement. They took one of the biggest hits in the history of Canada in terms of their investment value for retirement purposes.

The NDP voted in favour of taxing income trusts and the ways and means motion. They debated in the House and supported the taxation of seniors, wiping out \$25 billion worth of investment income. It is in this budget as well.

Could the member explain how she is so concerned about seniors and the gap between the rich and poor when what her party has supported all along is to ensure that seniors are worse off now because of its position on the taxation of income trusts?

Ms. Chris Charlton: Mr. Speaker, first, let me point out yet again that the vast majority of seniors who the member just described as poor are not investing in income trusts. Nonetheless, I think the question he asked is an important one.

We have been advocating, long before I got to the House, that when the income trusts were created, we needed accountability and transparency. I agree with the member that the Prime Minister perhaps misled Canadians inadvertently by suggesting that income trusts would be safe under his administration.

The reality is seniors made investments based on that campaign promise and then he broke that promise. That is why seniors have lost money in income trusts. Those investments probably should not have been made. They should not have taken him at his word during the election campaign.

Our position has been absolutely consistent. We need accountability and transparency. We are dealing with the retirement incomes of seniors. They deserve to be protected and they deserve the protection of the House.

[*Translation*]

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I am pleased to join the discussion on the budget.

The Conservatives wonder why we cannot support the budget. They say that it is a budget for the middle class, for workers, for everyone. Yet, when we look at the Conservative budget that was presented yesterday, there is absolutely nothing for affordable housing. There is absolutely nothing to reduce poverty in Canada.

We realize today that there is still poverty in Canada. The Conservatives cannot say that there is not a problem. Transfers to the provinces can help people on welfare. There are single people who are living on \$268 a month. For example, in New Brunswick, a person with a disability receives \$468 a month. How can a disabled person live on an amount like that?

Under the Conservative budget they are ready to give \$9 billion in tax reductions to big corporations. Oil companies are among those

large corporations. How many Canadians are happy to know each day, as they put gas in their vehicle, that gas costs them more than \$1 a litre? Oil companies will again be able to save money on their taxes while the people who are putting gas in their vehicles are paying high prices. That is taxpayer money.

The Conservative government allocated \$8 billion for post-secondary education. Students asked for \$2.2 billion in support. Since 1991-92, the cost to students has risen by 153%. Last week, I was in Fredericton and I met with the post-secondary students association, which asked us to support their demands.

The government claims that it is paying down debt and balancing the budget, but in reality it has shifted the debt to future generations. They say they want to pay off the debt so that future generations are not stuck with it. But what is the government doing? It has downloaded it to the students. However, those students are not just anyone; they are not strangers. They are our children. These are the young people who will be the leaders of our country one day. They are the ones who will be working to build up our country. And, what are we doing? We are paralyzing them financially. This budget will not help them because their costs will increase.

In addition, there is absolutely nothing for a home care program, nothing for long-term care. One of our colleagues said earlier in the House that hospital beds are filled with people who have long-term illnesses and who could be in nursing homes. But there is no money in the budget for that, absolutely no money for that.

The Conservative government says that thanks to income tax reductions, young people will be able to claim up to \$310 per year. It will amount to about \$310. They can claim \$2,000, which will mean an income tax reduction of \$310.

We are talking about \$310 per year for child care. This is an area in which the government has slashed spending. We had asked for a national child care program, because at present it can cost parents as much as \$500 or \$600 a month. In Quebec, it may be \$35 a week, but look at what is happening in the other provinces in the country. This government is the one that slashed funding, that refused to create national child care centres. Talk to those people to see whether they agree.

As for increasing the minimum wage to \$10 as proposed, this is about working people, about poverty. Some people have to have three jobs to get by, because they are working for minimum wage at \$6 or \$7 an hour.

• (1635)

There would be something in this budget if the government were proposing a bill to raise the minimum wage.

In terms of the economic development of Atlantic Canada and the ACOA, there is absolutely no surplus to help small and medium-sized businesses to establish and create jobs in Atlantic Canada, for example, as is the case in northern Ontario or western Canada. There is absolutely nothing to help rural regions. There is nothing for anyone but the big companies: \$9 billion.

The Budget

I cannot avoid talking about the \$51 billion surplus in the EI fund when there is absolutely nothing for working people in Canada who are losing their jobs and absolutely nothing to change the system under which only 32% of women and 38% of men are eligible for employment insurance. There is a \$51 billion surplus.

There is a surprise that I cannot avoid talking about. I was disappointed to learn that the Bloc Québécois was going to support this, when there is absolutely nothing in it for workers who have lost their jobs, and absolutely nothing for employment insurance.

I recall Bill C-48, which the NDP had negotiated with the minority Liberal government. We had agreement for \$4.6 billion: \$1.6 billion was allocated to post-secondary education; \$1.5 billion was allocated to affordable housing; \$900 million was earmarked for infrastructure in cities and municipalities; \$500 million was being given to countries in need; and \$100 million was to be used to protect employees' wages in bankruptcies.

The Bloc Québécois voted against Bill C-48, which was good for ordinary people. Today, it is going to vote with the Conservatives, when there is no change to employment insurance. This is the second time that the Bloc members have told us that we are the ones who have abandoned working men and women. They have had two opportunities to do the right thing, but they voted with a right-wing government that is not committed to helping working men and women or to social programs.

The Conservatives cut the court challenges program on September 25, 2006; they cut funding to Status of Women, and they cut funding for literacy programs.

Today the Bloc is going to support a government that made all these cuts and has done absolutely nothing, as I said, for working people and employment insurance. The Bloc accused us of being in bed with the Conservatives. I would say that they are in the hot tub with the Conservatives and having a fine old time. It is a disgrace.

Some say today that the Conservatives gave Jean Charest money for the elections in Quebec, where there will be a tax cut. Jean Charest announced it on television. There will be a \$700 million tax cut. But when people go to the hospital in Quebec, they are stuck in the hallways because there are no available beds and services.

Mario Dumont said that he wanted to privatize health care in Quebec. Is that what he will do with the billions of dollars being sent to Quebec? We hope not.

We could have had programs to help Quebec and all the provinces in Canada. I do not know what has become of the Bloc members when they unite with a right-wing government that is the furthest to the right we have ever seen and that makes cuts in ways we have never seen before.

I saw it happen. I was in the House yesterday. When it became apparent that the Bloc would support the Conservatives, almost all the Bloc members were virtually hiding their heads beneath their desks. They were so ashamed. I know them well, my friends in the Bloc, I know them very well and I know that they are uncomfortable. They do not feel very good. They feel terrible.

This all needs to be seen in context. Why should we not support the Conservative budget? Because there is nothing for the middle

class, nothing for seniors and nothing for people who are ill here in Canada. That is why we will not be supporting the Conservative budget.

• (1640)

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member is right in his general assessment that there really is nothing for certain classes of Canadians. If we look at the budget item by item, it is the people in Canada who have the least in terms of economic wealth who get nothing. They are the poor in our country. They are the seniors who are the most vulnerable. They are families with children who earn less than \$36,000. As for pension splitting for seniors, if a senior's pension is less than \$36,800, he or she is already at the lowest marginal tax rate and therefore it does not benefit the senior.

We could look at this item by item and say that this budget really targets and focuses in on those who can afford to pay some tax. It does not help the poor. It does not help seniors who are vulnerable and cannot help themselves. It does not help the unemployed. It does not help stimulate the economy. It does not help make Canada a better place. There is no vision.

I wonder if the member could suggest to us, however, why his party still supported the taxation of seniors who invested in income trusts to the extent that income trust investors collectively lost about \$25 billion because the NDP supported the government in the taxation of income trusts and a very serious broken promise.

Mr. Yvon Godin: Mr. Speaker, I know the member has addressed the question to me. I would like to address a question to him. Why did the Liberals bring in the loophole for business that created this mess that people got into? That is what happened. The Liberals created that mess. They brought in a loophole for their friends.

Let us not forget that the Liberals had a minister of finance who for many years did not even pay his taxes to our country. That is the type of government we had for 13 years. I wish I could have raised the question with the member instead of him raising it with me, because the Liberals created the problem.

We have had people coming to us and saying that maybe they were wrongly advised about not leaving their money there. As one person said, "I left the money there, it kind of calmed down, and I got my money back". As for ordinary people, that is not what hurt the most, like the member is talking about. The Liberals created that mess. It was during the election of 2006 that it came out what they had done. They created it and they cannot blame the NDP for saying that we do not want those types of loopholes for businesses in our country.

• (1645)

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I want to ask my colleague a question. For all the years that I have been in the House, he takes the opportunity to go to a recurrent theme, which is employment insurance. In his particular area, I know, micro business and the opportunity for seasonal employees to start their own businesses is a very attractive inducement.

The Budget

There is nothing as a strategy, which would look at areas like his constituency, his region and his province, that is an inducement to workers to work through co-ops or the tax system, and they are continuously taxed at a higher level with respect to employment insurance. I wonder if he would like to expand on that, because there is a huge absence in this budget of anything that would come close to meeting the needs of workers in his particular area.

Mr. Yvon Godin: Mr. Speaker, I disagree with the member on one thing: They are not taxed. The businesses are not taxed.

Businesses have a responsibility when they hire people. If they cannot keep them 12 months a year, they have a responsibility to pay into a program to make sure that if employees get laid off and no longer have a job they will be given the opportunity to get a job for their families. It is not just for businesses to make money. The working people, who help them do business and get rich, get nothing if they lose their jobs. This program belongs to the workers and the companies.

The problem is that the government had a \$51 billion surplus. It was during the time the Liberals were in power, starting in 1996. There was a \$51 billion surplus on the backs of the workers and business people. Jobs were not created through ACOA. That is the problem with this budget. There is no extra money for ACOA to help businesses create jobs. That is where the problem is in this budget. There is nothing for the Atlantic provinces so it can create those jobs.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Eglinton—Lawrence.

The Conservative budget has failed Canada's most vulnerable people. Those who need government most have once again been ignored by the Conservative government. Instead of reaching out to ordinary, hard-working Canadians, the government has only reached out to the CEOs sitting around boardroom tables.

Instead of reaching out to those who are homeless, or instead of investing in affordable housing or post-secondary education, or ensuring that poverty among first nations would be eliminated, the Conservatives chose to ignore and sideline them.

This was supposed to be a budget, from what I recollect of what the Prime Minister said, that would be discussed around kitchen tables. After reading the budget, one really wonders what kitchen table this Prime Minister was sitting at, because this is a budget in which there seem to be more losers than winners. It is a budget in which the rich will only get richer and the poor only poorer.

Perhaps the chief economist at RBC Financial, Craig Wright, best summed up this budget when he said:

It's a minority government budget. It's about politics more than it's about policy: a little bit for everyone, not enough for anyone.

It is evident from this quote that this budget was not looking at Canada's future. This is a budget that is a step backward, a step backward for the children of Canada, for the most vulnerable of Canada, for our first nations communities, for the homeless, and for those who really needed the government most.

Let me talk about child care. The Conservatives have spoken quite often about choice in child care, but what choice has a Conservative

government really given hard-working Canadian parents when they have failed to deliver a single child care space?

The \$250 million that has been given to the provinces and territories is really a mere drop in the bucket compared to the \$1.2 billion that would have been invested by the previous Liberal government. One needs to ask oneself, does this Conservative government really believe in early learning and childhood development?

We have seen over the last 24 hours that child care advocacy groups across the country are saying that the Conservative plan has offered little money or absolutely no money and no accountability to ensure that child care spaces are going to be created.

We all recollect the 2006 campaign when the Conservatives promised the creation of 125,000 child care spaces over five years. Now, as we take a look 14 months later, we see that not one child care space has been created.

Canadian families have very quickly realized that this was yet another Conservative promise made and another Conservative promise broken. Unfortunately, this time, that broken promise has impacted thousands and thousands of Canadian children across the country.

If we take a look at this particular budget, we see that the government talks about creating 25,000 new child care spaces. Twenty-five thousand actually sounds like a large number, but one only has to take a look at a few examples.

We can take a look at the city of Ottawa, which actually has a centralized child care waiting list. Parents across the country and parents living in Ottawa can actually add their child's name to one particular city list to ensure that it appears on a central list. As for this list, in Ottawa alone, the number of children waiting for a child care space is 10,000. There are 10,000 children in Ottawa waiting for a child care space. This is for only one city in Canada.

What about some of the other cities that are even more populated than Ottawa? What about Toronto, Vancouver, Edmonton, Calgary or Winnipeg? I know that in my own riding of Brampton—Springdale, which has one of the fastest growing cities in the country, the list of child care spaces is growing longer and longer. Children in my riding of Brampton—Springdale are waiting.

The government has simply acted as an ATM machine. It has thrown money at families by giving them \$100 a month and now it is throwing money at the provinces and territories. The only thing that is evident while the government acts as an ATM machine is that there has not been an action plan. There has been no leadership to ensure that we deliver the child care spaces that children and Canadian families so desperately need.

● (1650)

Many child care advocacy groups and many Canadian families talk about the fact that when the Liberals were in government they actually sat down with the provinces and territories and came up with a \$5 billion investment in an early learning and childhood development plan to ensure there would be quality, universality, accessibility and a developmental component so that our children, the future leaders of our country, would get the very best.

The Budget

What did the Conservatives promise? They gave \$100 a month that is actually taxable. Now that Canadian parents and families are filling out their tax forms, they realize they actually have to give money back to the government. The \$100 a month was really about \$66 a month for some families. This is absolutely no choice because where can any Canadian family or parent find child care at \$66 a month?

The only choice that Canadian parents and families have been left with is that they can either stay at home or pay for child care out of their pocket, but the problem and the dilemma there is that there are no child care spaces. It is quite clear from this budget that the promise to Canadian families and parents for child care and the delivery of child care spaces was actually a smokescreen.

A senior economist from the Canadian Centre for Policy Alternatives said:

You can easily spend in the billions creating a genuine national child-care program for kids younger than six. Splitting \$250 million among all those provinces...is not going to do it.

We're missing the boat on this in a big way. Research connects early learning with all kinds of education and production benefits that spin off later on. And it allows people to show up for work if they know their children are well cared for.

It is clear throughout this Conservative budget that the government has failed Canada's most vulnerable.

We can talk about the issue of foreign credential recognition. The Conservatives promised that they would create an agency, but in this budget they have not provided the resources or the infrastructure to actually implement this agency. They have not talked about establishing this agency.

The member for Eglinton—Lawrence spent many years to ensure that when new immigrants came to our country with hopes, dreams and aspirations that their qualifications would be recognized, that they would be able to be accredited and integrated into the labour market workforce. But the Conservative government has failed to get the job done and those new Canadians still continue to wait.

We can talk about health care. The Conservatives talked about the implementation of a wait time guarantee, but it is quite unfortunate in reading the budget that health care was not one of their top priorities. Instead the Conservative government is trying to black-mail the provinces and territories into signing on by waving \$612 million, but if they decline, that \$612 million will go out the window.

Canadians want to ensure that they have the most effective and efficient health care system, but the government must believe in that type of system. It must invest in health care to ensure that the wait times guarantee is actually implemented. Once again the Conservative budget failed in ensuring that they would deliver quality health care for Canadians across the country.

In conclusion, it is clear that the Conservative government's budget was only good for one table around the country and that was for the CEOs who sit at the boardroom table, not for the average hard-working Canadian. The Conservatives have once again sidelined those who need the government most.

The finance minister and the Prime Minister had a real opportunity to help Canada and to ensure Canada's success in the coming years,

but unfortunately they failed on all accounts. On behalf of the hard-working families in my riding of Brampton—Springdale, on behalf of students, seniors, aboriginal people and first nations, on behalf of those who are homeless in this country, there is no way that this budget deserves their full support.

• (1655)

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, I listened with great intensity to the member's comments. Obviously in her time spent in this Parliament she may not remember the 10 years of promises of past Liberal governments in regard to child care.

It astonishes me how quickly the Liberals can transition from a government of unkept promises to a government of critics. It continues to astonish me how quickly they can move from what they promised but were never able to deliver to being critical of a government that in a short period of time has presented two budgets to Canadians and two budgets that have moved Canadians forward in a positive way.

This budget provides a tax credit of \$2,000 for every child in Canada providing up to \$310 per child in tax relief and impacting more than three million Canadian families for a dollar value of \$1.5 billion in tax relief. Does the member disagree with a budget that helps families in such a significant way?

Ms. Ruby Dhalla: Mr. Speaker, what we as Liberals disagree with is that this particular budget will not help the hard-working Canadian families that actually need it most. When the Conservatives talk about the \$2,000 tax credit and they talk about the fact that some families will get back \$310, when we do the math it is about 80¢ a day. We cannot even buy a cup of coffee for 80¢. The families that really need it most, the lower income families, are not going to benefit from this.

If the Conservatives really wanted to help lower income families, they would have ensured that they invested in the areas that are important to those low income families. They would have invested in the creation of child care spaces which would have ensured the empowerment of Canadian parents who want to be part of the workforce and also provide high quality child care.

I must also say it was a Liberal government that actually ensured that Canada had one of the best financial records in the G-8. It was a Liberal government that delivered a \$42 billion investment in health care to ensure that we would have a wait times reduction. It was a Liberal government in consultation with the provinces and territories that invested \$5 billion in early learning and childhood development to ensure that we would invest in our future: our children.

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, the Liberal Party and the member are guilty of perpetuating the myth that the institutionalized child care scheme of theirs was somehow going to be free. The Liberals have never ever attached any type of individual family cost to their scheme. They have simply laid it out among the general public as though it were going to be some freebie for parents of young children. I would love to hear what their estimate of cost per family would be for this government-run child care system of theirs.

The Budget

At the same time, I would like them to tell me exactly how they would get this government-run child care system into every little rural spot of the country so that Canadian families who do not live in the big cities where the Liberals' friends are would be able to take advantage of some child care benefit that would have been offered to them by the failed Liberal government.

The new Conservative government child care system, the universal one, on the other hand, reached out to families in every single part of the country. Whether they lived in the far Arctic or in the rural areas of British Columbia or Ontario, every single family would benefit, not like the mythical, government-run, badly explained, so-called freebie of the failed Liberal government.

• (1700)

The Acting Speaker (Mr. Royal Galipeau): There is a half a minute to respond.

Ms. Ruby Dhalla: Mr. Speaker, with all due respect to my colleague, having talked to Canadian families and Canadian parents and mothers, giving them \$100 a month that is taxable, which at the end of the day probably results in about \$50 to \$60 a month, is not a child care plan. That is not an investment in early learning and child care development. The government is acting as an ATM machine, because what choice is it really giving parents when there are absolutely no spaces in the country?

Whether families live—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate. The hon. member for Eglinton—Lawrence.

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, I am delighted to be part of the debate, especially after the interventions of two members on the government side a moment ago who wondered about finances and how programs are funded.

I know they share the views of all members in this place, that if there is a vision that drives the party in government, it will be expressed in the budget document. The budget document will itemize exactly what the government will do. It will give an indication of how moneys will be raised and where the moneys will be spent and who will benefit and profit.

So here it is. I am going to have a look. The Minister of Finance said, "Read the book. It is all in the book", so let us see what is in the book.

According to the book there are going to be projected for this coming fiscal year an additional \$4.4 billion in revenues. It gets better. It means that the government vision for the country is going to be predicated on that \$4.4 billion. The rest does not matter because it was already there. It is money that was in the last budget. It is money that has already been raised. It is money that has already been packaged. It is money that has already been put out to Canadians as part and parcel of their experience and their commitment to government and to the growth of this country. They have increased their revenues by \$4.4 billion.

It gets better. A Conservative government purports to be responsible, accountable and transparent. What is it going to do? I know you will love this statement, Mr. Speaker, and it is right here in the book. It talks about the program expenses of the government opposite, that one right over there, the one that talks about the best

interests of Canadians everywhere, that one whose accountability and accounting processes are limp, and what is it that the government is going to do? The Conservatives are going to raise an additional \$4.4 billion and they are going to spend \$10.6 billion. They are going to spend an additional \$10.6 billion.

My colleague from Mississauga South who is an accountant will understand this. I know my accountant friend will tell me that leads to deficits and a decline in confidence in the government and the country to proceed along a sane and reasonable economic and fiscal path. It leads to increased borrowing costs everywhere. It leads to a loss of confidence by business in the country. But that is okay.

This is blarney economics on the part of the Minister of Finance who stood in the House today and said that he was a terrific guy and he could only do terrific things, that he could only do, and I think the term he used about five times was historic things. The historic thing is to return to the Conservative practice of spending more than is actually raised.

I know that my colleague from Mississauga South is waiting to see what the vision is in this book. It is in the book. The vision is there. The Minister of Finance said to read it. He is going to reduce the debt; this is from someone who is spending more than he is raising. He is going to reduce the debt by \$3 billion. How does one reduce the debt by—

An hon. member: Read the book.

Some hon. members: Oh, oh!

• (1705)

The Acting Speaker (Mr. Andrew Scheer): Order. The hon. member for Eglinton—Lawrence sits very close to the Speaker's chair and I am still having trouble hearing him. He has about six and a half minutes left. We will allow him to finish up. Any member who wishes to ask a question or make a comment can do so at the appropriate time.

The hon. member for Eglinton—Lawrence.

Hon. Joseph Volpe: Mr. Speaker, the children opposite will understand that the facts speak for themselves, especially when the Minister of Finance asked us to look at this.

He is going to spend \$6.6 billion more than he is actually going to raise, but he is going to reduce the debt by \$3 billion. Oh my gosh, this is mathematics 101. We cannot spend more than we earn unless, of course, we borrow, but if we borrow, we run into deficit.

This is all repackaging. There is nothing really new here. There is absolutely nothing new. One would be forgiven if there were a moment of suspicion that somebody was trying to mislead the Canadian public, maybe even the House, on what this package is all about.

The Budget

Here is the real book. Look at how thick it is. It is all about how those people in government are going to spend an additional \$4.4 billion that they are going to raise next year. Imagine. Let us be serious. We are talking about \$4.4 billion. We have heard figures thrown out here during question period today and yesterday, and over the course of debates about \$30 billion in additional moneys being invested in infrastructure, about \$33 billion being invested in this and that, and about billions of dollars being thrown here and there and everywhere. The book does not lie. The book says the government only has \$4 billion more than it had last year.

Do members know what else the book says? I see my colleagues nodding. The book also says that the Minister of Finance misled the House when he told the House that there was a \$22 billion debt paydown. Do members know why he was misleading? Misleading is an appropriate term. In 2005-06 the—

The Acting Speaker (Mr. Andrew Scheer): I have to ask the hon. member to withdraw the remarks. To say that a minister or any member would be misleading the House is not parliamentary.

Hon. Joseph Volpe: Mr. Speaker, I feel aggrieved. I was going to say he was being dishonest and he lied, and I chose the right parliamentary term, but now I have to withdraw that too.

The Acting Speaker (Mr. Andrew Scheer): I would appreciate it if hon. members did not get into that realm. I just heard some words that are definitely unparliamentary even though the member might have been trying to get them in in a way that he might be able to claim he was not directly saying them. Those are very dangerous waters and we do not need to have that in this part of the debate.

Hon. Joseph Volpe: Mr. Speaker, I will speak about the facts as they are then and I will stay away from that unparliamentary language. I apologize if I have offended all of those who normally talk about only the proper language to be used.

When the minister took credit for a \$22 billion in debt paydown, he was actually referring to \$13.2 billion paid down by the former Liberal government in 2005-06. That is what the book says. But he says, no, they paid that down. I do not know how that happens. That is not what the book says.

The book also says that they paid down \$9.2 billion last year and they are going to pay down \$3 billion this year, but they are going to be \$6.6 billion further in debt. This is voodoo economics.

Mr. Ed Fast: Your nose is growing.

Hon. Joseph Volpe: Read the book. Read the book.

I am looking at this and I am saying that maybe all these other people who have critiqued the budget are also like so many of us: unable to see a vision for this country from that government. It is not there.

We do not know how the government is going to improve the lot of Canadians with that additional \$4 billion it is going to raise and the additional \$10.6 billion it is going to spend. The Conservatives are going to put us in debt. How are they going to make the country better? Is it on infrastructure?

Take a look at infrastructure. Here we have train derailment after derailment and the Minister of Transport cannot convince the Minister of Finance to put in money for rail safety. He cannot

convince the Minister of Finance to put money in the budget for air safety.

We had a witness before the transport committee. I see the chairman here with me; he is a good man. The chairman of that committee heard Judge Moshansky say that the bill would diminish air safety everywhere in the country unless the government puts money into an inspectorate. Where is the money? It is not in this budget.

We have a Minister of Finance who cannot give a hoot about air safety and rail safety, and we have a Minister of Transport who does not have the courage or the influence to get his cabinet colleagues to put money in this budget to make this a better and safer place for Canadians everywhere.

So, what are we doing when we are talking about asking the Canadian public and this party to support a budget that shows no vision, is absolutely down the road away from truth and honesty, and is leading the country back to the dismal position that it had before the Liberals came into government?

The Conservatives are going back down a road of deficits and increasing debt. This thing has to be put away.

● (1710)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member for Eglinton—Lawrence maybe, in his style, had to remind the House of a bit of history, going right back to the Mulroney years when a \$42 billion deficit was left that we had to clean up. It took some time to clean up the mess that the Conservatives left. Then we took what the financial experts were saying were third world circumstances and we raised our financial game to the top of the G-8, in fact, in 10 consecutive budgets.

The Conservative government now is the beneficiary of the strongest fiscal position of any new government in the history of Canada and those benefits are going to continue to pay off time and time again.

This member was part of those governments in cabinet ensuring that Canada was able to withstand economic pressures. There was a recession in the U.S. We did not go into a recession. We just kept in mind: do not over promise, but overachieve.

I think the member is cautioning Canadians to watch carefully and I think he should maybe amplify that a bit. Suspiciously, this spend, spend attitude of the Conservatives in their first two budgets now seems to track a little of what Brian Mulroney did back when he was the prime minister. I wonder if the member would care to comment on the damage that it did to Canada for so many years.

● (1715)

Hon. Joseph Volpe: Mr. Speaker, I will try to expand on that, of course. We look for transparency and honesty in the books, and we do not get them. It struck me that when the Liberal government replaced the Conservative government there was a mantra that developed around the country that Conservative economics were about as phony as a \$3 bill along with their NDP allies. Because of that alliance we are again heading in this direction.

The Budget

My hon. colleague from Mississauga South is absolutely right. Over the course of that 13 year period when the Liberals were in government, there was an increase in the number of jobs being created. There was a total of about 250,000 to 300,000 new jobs being created every single year, so much so that there was a labour shortage all across the country.

That came as a result of real hard facts, very good economic management and fiscal management of the books. We would not have seen this kind of nonsense in Liberal books, but it is back again in the Conservative books.

I am going to suggest to all members opposite that they take a real close look at the vision of the country they are putting forward. One thing that emerges is that the Conservative government wants to wash its hands of all nation building instruments and the financial resources that are associated with those nation building instruments that make this country whole, together and tight. It has decided it wants nothing to do with government, and will let the provinces and the marketplace handle itself on its own. If people are looking for government, they should change the present one.

Mr. Paul Szabo: Mr. Speaker, this is excellent because the member leads me right to a very simple example of the \$2,000 child tax credit. The member will know that if families do not make enough money to pay taxes, a \$2,000 tax credit is not worth a penny to them.

He also knows that in the budget pension income splitting is provided for seniors, but if one earner's income is less than \$36,800 a year, splitting that amount of pension does not benefit the families at all because they are already paying the lowest marginal tax rate.

Maybe the member would care to comment on the tax elements. The gimmies and the giveaways are not for those most in need.

Hon. Joseph Volpe: Mr. Speaker, the member is absolutely right on. As an accountant, he understands who is going to profit by some of the tax measures, some of which are just simply rhetorical. There is a lot of smoke and mirrors as my colleague says from Vancouver, and she is absolutely right. It is mostly smoke but there are some mirrors. Some of the things the government has announced, re-announced, repackaged and re-announced again.

The fact of the matter is that people can say they have been given a \$2,000 tax credit, but if they are not earning the money that is required to turn that into revenue, it is not real money. It is a boondoggle yet again. It is an opportunity for the minister to say that the government is taking care of everybody, but there is actually no money flowing.

If the government is not going to give seniors an opportunity for income splitting that actually produces a real result, then it is nothing more than empty rhetoric, which is exactly what the government is doing.

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, it is always great to follow a seasoned veteran like the member opposite.

As I sit here as part of Canada's new government, I find it quite interesting to hear how the Liberals opposite always want to talk about the past. This budget is about the future. It is about the future and how it is going to benefit Canadians.

It is about the future and how Canadian families are going to rise up beyond the shackles of the taxation that the Liberal Party foisted on them in years gone by. It is about how we are going to grow a country. It will be a nation of people working and thinking independently, where there is a freedom of thinking for people so that they can do things for themselves and do not need the government to do it for them.

I want to highlight a few points that impact my constituents, the people of Brandon—Souris, in this particular budget, and I think the members opposite will probably see themselves in some of the reflections that I am going to relate to them.

An hon. member: Tax those income trusts.

Mr. Merv Tweed: Regarding agriculture, one of the largest portions of the economy in my community of Brandon—Souris, in 2006 this government committed to putting half a billion dollars into the agriculture program, and we have put \$1.5 billion into it. We saw the need. We saw the hardship put on these farmers over the past several years by the empty promises of a Liberal government and we fulfilled our commitment. We have delivered three times what we promised and agriculture has finally started to see the light. The agriculture industry is looking forward to the opportunities.

Did we stop there? No. In this budget in 2007, we are increasing the amount by another \$1 billion.

That is going to go to immediate relief from the suffering they have endured over the last three or four years. We are going to add \$600 million to a savings account that is going to be shared with the producers to offset some of the hurt they have in the shortfalls, in those times when depressed markets sometimes impact their ability to earn money. We are going to put in an immediate \$100 million to offset some of the costs, particularly the costs that have gone up in the past several months.

Not only that, we are shining a light on the agricultural community, and that has not happened for years in this country with the previous government. I have never seen the optimism that I am seeing now in the communities I represent. With the announcements we made yesterday on renewable fuel production, our producers are fired up. They are optimistic. They are talking about the opportunities they have to become independent, to become part of an ownership team that is going to build and produce ethanol, the fuel of the future. Not only that, they are going to provide the food that feeds the world. They are going to see tremendous opportunities.

We listened to the industry and what they asked us to do and this government has delivered it. I am looking forward to many new announcements in the constituency of Brandon—Souris and across Canada, where producers are stepping up to help themselves, to help their families and to help Canadians.

The Budget

Shilo is one of our largest employers. We are very proud to have these troops in our community. They represent many of the troops who have served in Afghanistan and who will continue to serve around the world. I would suggest that the men and women I represent from that community are no different from those on any of the other bases across Canada. These are proud men and women. For the first time in many years, they are seeing a government that is actually responding to their needs. For far too long we have sent these people into dangerous situations under-equipped and under-prepared. Now they are saying thanks to the Canadian government and saying that it has delivered.

In this budget, we are delivering \$60 million per year to bring the environmental allowances to soldiers. That basically means they are going to be equal to their comrades in the air force and the navy. They are going to get the pay they deserve for the dangerous positions that they put themselves in, not only in fighting for the rights and freedoms of Canadians but in fighting for the rights and freedoms of people around the world. I am very proud of them. I am very proud to be a part of a government that announces a budget that supports them, that hears what they have to say and that listens to their needs.

In dealing with our armed forces in this budget, we also are going to create five military operational stress injury units to deal with the impacts of what these young men and women go through when they have to go across the world to serve. We have to provide for them. This is going to deal with the stress injuries related to their service, but it will also provide support to their families.

We are also providing \$19 million this year for the veterans ombudsman's office that is going to be established and \$20 million per year after that to enforce and make sure that the veterans bill of rights serves the people that it was designed to serve.

• (1720)

I want to talk about infrastructure. The government has announced \$16 billion more in this budget, bringing it to a total of \$33 billion to help communities across Canada. The Liberals talked about it, but we delivered.

Communities across Canada are going to see their roads, highways, public transit, bridges, sewer and water systems and the green energy that we all want for Canadian communities and families. We are going to deliver it. This budget is getting it done for Canadians.

I know I have limited time, but I do want to talk a little about families. I think it is important to look at what has been done and what more can be done for families across Canada.

Budget 2007 provides \$5.7 billion in relief to families and individuals. The budget will implement a \$2,000 child tax credit. This will create \$1.5 billion in new tax relief to families. The Liberals talked about it, but we delivered.

The budget announced \$550 million for the WITB project, the working income tax benefit that the minister talked about. This project takes the people who are trying to push themselves over the welfare line to a working line without punishing them for doing it. This project helps them to make that step up. I support this.

In the last budget there was a decrease from 7% to 6% in the GST and we provided more than a billion dollars in tax relief to Canadian seniors and pensioners.

How does that impact Manitobans? Under restoring the fiscal balance, it will provide Manitoba with \$3.1 billion of relief. I can tell the members opposite that even with a provincial NDP government Manitoba is thrilled with the government's announcement. The province is happy to work with us and happy to see what we are doing for the people of Manitoba. I am proud as well, because not only does it affect the people of Manitoba, but it also impacts the people of Brandon—Souris, whom I represent.

In this budget, we are talking about \$1.8 billion in new equalization transfers. We are talking about \$350 million in the Canadian social transfer, which includes additional funding for post-secondary education and child care.

We are talking about \$83 million for infrastructure. Does anyone realize how much that builds in a province like Manitoba? This is tremendous news.

We are talking about \$54 million from the Canada ecotrust for clean air and climate change.

Things are only getting better for the people of Manitoba, the people of Brandon—Souris and, indeed, people all across Canada.

We have committed \$10.8 million over the next three fiscal years to the government of Manitoba to implement a human papillomavirus immunization program, which will combat cervical cancer. This is something that the province of Manitoba has asked this government to do and we are delivering.

The government will contribute \$170.5 million to complete the expansion of the Red River Floodway. I want to get into that just briefly. Talk about empty promises from the members opposite: the money pledged was never on the books of the Liberal government. The money was never there. This government found it and delivered it to the people of Manitoba. I am proud to be a part of that. When the members opposite talk about all the false promises that they have made to Canadians, they were just that, false promises.

For Manitobans, the \$2,000 child tax credit will save them \$54.1 million. These are tremendous savings.

We have pledged \$16 million in additional corporate income tax relief from the temporary two year writeoff for manufacturing equipment. That is what manufacturers across Canada asked for. We delivered it.

It only gets better for Canadians. It only gets better for Manitobans. It only gets better for the people of Brandon—Souris.

Business of Supply

In closing, I know I have limited time but I do want to talk briefly about what was alluded to by some of the members in almost a joking manner. It is with regard to the share of meal expenses that long haul truck drivers can deduct. In 1995, the Liberal government, in an attempt to slash and cut spending, did so with social transfers in health, and not only there: it did so on the backs of truckers. That government reduced truckers' ability to claim a per diem for their meals.

Many of the largest trucking industries reside in the province of Manitoba. This is something that this industry asked us to do. The trucking industry asked us to look at it. The industry said that truckers had paid their share and had done their duty, done their time, and the industry asked the government to look at it. We did and we delivered on it. The people of Manitoba and the trucking industry across Canada will benefit from this.

• (1725)

If some members opposite think this is trivial, if they think it is a small amount, they should talk to the people involved who are going to receive this benefit. They are happy. Their families are happy. It puts more money in their pockets at the end of the day. That is what a budget is all about.

Everybody wants to talk about what budgets do for people. If we allow people to have the money to make their own financial decisions at the end of the day, that is the sign of a good budget.

The Acting Speaker (Mr. Andrew Scheer): The hon. member for Brandon—Souris will have 10 minutes left to conclude his remarks.

* * *

BUSINESS OF SUPPLY

OPPOSITION MOTION—AEROSPACE INDUSTRY

The House resumed from March 1 consideration of the motion.

The Acting Speaker (Mr. Andrew Scheer): It being 5:30 p.m., pursuant to order made on Thursday, March 1, 2007, the House will now proceed to the taking of the deferred recorded division on the motion of the hon. member for Montmagny—L'Islet—Kamouraska—Rivière-du-Loup relating to the business of supply.

Call in the members.

• (1800)

[*Translation*]

(The House divided on the motion, which was negated on the following division:)

(*Division No. 129*)

YEAS

Members

Alghabra	André
Asselin	Bachand
Bagnell	Bains
Barbot	Barnes
Beaumier	Bell (North Vancouver)
Bellavance	Bennett
Bevilacqua	Bigras
Blais	Bonin
Bonsant	Boshcoff
Bouchard	Bourgeois

Brisson
Brunelle
Canniss
Carrier
Coderre
Cotler
Cuzner
DeBellefeuille
Deschamps
Dhalla
Dryden
Easter
Faillie
Freeman
Gagnon
Gauthier
Goodale
Gravel
Guay
Holland
Jennings
Karetak-Lindell
Keeper
Laforest
Lalonde
Lee
Lessard
Lussier
Malhi
Maloney
Martin (LaSalle—Émard)
McCallum
McKay (Scarborough—Guildwood)
Ménard (Hochelaga)
Merasty
Mourani
Murphy (Charlottetown)
Ouellet
Paquette
Pearson
Peterson
Plamondon
Ratansi
Regan
Rodriguez
Roy
Scarpaleggia
Sgro
Simard
St-Cyr
St. Amand
Steckle
Szabo
Temelkovski
Basques)
Basques)
Tonks
Vincent
Wappel
Wilson
Zed- — 137

Brown (Oakville)
Byrne
Cardin
Chan
Comuzzi
Crête
D'Amours
Demers
Dhaliwal
Dion
Duceppe
Eyking
Folco
Fry
Gaudet
Godfrey
Graham
Guarnieri
Guimond
Hubbard
Kadis
Karygiannis
Kotto
Laframboise
Lavallée
Lemay
Lévesque
MacAulay
Malo
Marleau
Matthews
McGuinty
McTeague
Ménard (Marc-Aurèle-Fortin)
Minna
Murphy (Moncton—Riverview—Dieppe)
Nadeau
Pacetti
Patry
Perron
Picard
Proulx
Redman
Robillard
Rota
Russell
Scott
Silva
Simms
St-Hilaire
St. Denis
Stronach
Telegdi
Thibault (Rimouski-Neigette—Témiscouata—Les
Valley
Volpe
Wilfert
Wrzesnewskyj

NAYS

Members

Abbott	Ablonezy
Albrecht	Allen
Allison	Ambrose
Anders	Anderson
Angus	Arthur
Atamanenko	Baird
Batters	Bell (Vancouver Island North)
Benoit	Bernier
Bevington	Bezan
Black	Blackburn
Blaikie	Blaney
Boucher	Breitkreuz
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Carrie	Casey
Casson	Charlton
Chong	Chow
Christopherson	Clement

Private Members' Business

Comartin	Crowder
Cullen (Skeena—Bulkley Valley)	Cummins
Davidson	Davies
Day	Del Mastro
Devolin	Dewar
Doyle	Dykstra
Emerson	Epp
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Galipeau
Gallant	Godin
Goldring	Goodyear
Gourde	Grewal
Guergis	Hanger
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Julian
Kamp (Pitt Meadows—Maple Ridge—Mission)	Keddy (South Shore—St. Margaret's)
Kenney (Calgary Southeast)	Khan
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Lemieux	Lukiwski
Lunn	Lunney
MacKay (Central Nova)	MacKenzie
Manning	Mark
Marston	Masse
Mathysen	Mayes
McDonough	Menzies
Merrifield	Miller
Mills	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Nash
Nicholson	Norlock
O'Connor	Obhrai
Oda	Pallister
Paradis	Petit
Poillievre	Prentice
Preston	Priddy
Rajotte	Reid
Ritz	Savoie
Scheer	Schellenberger
Shipley	Siksay
Skelton	Smith
Solberg	Sorenson
Stanton	Stoffer
Storseth	Strahl
Sweet	Thompson (New Brunswick Southwest)
Thompson (Wild Rose)	Tilson
Toews	Trost
Tweed	Van Kesteren
Van Loan	Vellacott
Verner	Wallace
Warawa	Warkentin
Wasylcia-Leis	Watson
Williams	Yelich— 150

PAIRED

Nil

The Speaker: I declare the motion lost.

[*English*]

It being 6:04 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

•(1805)

[*English*]

KELOWNA ACCORD IMPLEMENTATION ACT

Right Hon. Paul Martin (LaSalle—Émard, Lib.) moved that Bill C-292, An Act to implement the Kelowna Accord, be read the third time and passed.

Mr. Gary Merasty (Desnethé—Missinippi—Churchill River, Lib.): Mr. Speaker, it is with honour and pride that I speak today to Bill C-292, An Act to implement the Kelowna Accord, introduced by the hon. member for LaSalle—Émard who I am very honoured to have worked with in the past on this issue.

To begin, it is important to understand the context of the Kelowna accord. The *Meadow Lake Progress*, in its July 23, 2006 editorial, stated it best, “There is no underestimating the importance of the agreement”.

The Kelowna accord represents an historic consensus brought about by the commitment of the previous Liberal government to meaningfully engage and collaborate with first nations, Métis and Inuit leadership, along with the provincial and territorial governments, to address the challenges faced by aboriginal Canadians and by extension, Canada itself.

This effort, initiated by the member for LaSalle—Émard, was unprecedented. It signified a high-water mark in aboriginal state relations. Never before had the political leadership of our country committed to moving together, setting meaningful benchmarks and stable funding relationships.

This historic consensus remains intact. All first nations, Métis and Inuit leadership as well as the premiers remain steadfastly committed to the Kelowna accord. Only the Conservative government lacks the commitment needed to meet its goals.

The support for the Kelowna accord is also unanimous with the provincial political leadership in Saskatchewan. The Saskatchewan Party, the NDP and the Saskatchewan Liberals are all resolutely in support of the Kelowna accord. In fact, the NDP government and the Saskatchewan Party opposition joined together in March 2006 to pass a unanimous motion in the Saskatchewan legislature, urging the federal Conservative government to fully implement the Kelowna accord. Saskatchewan has committed to the accord because it knows the potential of its aboriginal population and the opportunities it presents.

The first nation and Métis population is the fastest growing segment of the Saskatchewan population. By 2045, the aboriginal population is set to be a majority in the province of Saskatchewan. This emerging population is well poised to become the leaders of a prosperous new Saskatchewan, particularly with baby boomers retiring and the economy in Saskatchewan and the west heating up. However, investments and strategies are needed to be put in place for education, housing, health and economic development.

The Kelowna accord made those investments and allowed communities to design strategies to respond to their own unique challenges, something that is absolutely critical in giving and empowering the communities to come up with the solutions because this is from where the best solutions come. This is exactly what the Kelowna accord was designed to do. Moreover and more important, it set the stage for greater collaboration in the future, setting a road map for moving beyond the goals of Kelowna with a relationship based on mutual respect and recognition.

Private Members' Business

It is a disappointment that the Conservative government does not seem to understand the full opportunity to strengthen the economy in western Canada and engage first nations, Métis and Inuit people to their fullest capabilities.

The July 23 *Meadow Lake Progress* editorial also captured the risks of abandoning the accord stating:

The accord should have been honoured by [the Prime Minister's Conservative] government after its January election....If the Kelowna Accord is gone for good, it will be this nation's aboriginals who will suffer the brunt of that decision.

There's a lot riding on the Kelowna Accord, including the relationships between aboriginals and non-aboriginals—which will deteriorate if the agreement is not honoured...

To allow that relationship to deteriorate now, after it has been slowly evolving and improving over the last 50 years, would be a terrible betrayal of the progress that been made by the first nations, the Métis and the Inuit of our country who at the table with the prime minister and the premiers of our country.

This relationship has moved from first nations, Métis and Inuit being completely ignored by governments in the past to where they stood tall and demanded recognition, to a phase where mutual respect and collaboration became the norm. The Kelowna accord marked the culmination of this relationship building.

The Conservatives' refusal to implement the Kelowna accord and their inability to form any sort of replacement plan is a huge disappointment, particularly because they promised to honour the goals of it.

• (1810)

Unfortunately, the abandonment of the Kelowna accord is only one aspect of a general larger backward trend of Conservatives choosing to become increasingly confrontational, ignoring their fiduciary duty to first nations, Métis and Inuit people. With respect to being confrontational, the Conservatives have adopted a much more adversarial attitude in treaty negotiations and the recognition of aboriginal rights.

The Prime Minister and the Indian affairs minister made repeated attacks on aboriginal rights during treaty negotiations in British Columbia. These attacks began in July with the Prime Minister's letter to the *Calgary Herald*, in which he used inflammatory language in opposing so-called "race based" fisheries, which are actually "rights based" fisheries, and refused to acknowledge the Supreme Court's affirmation of aboriginal fishing rights.

This is not a race issue; it is a rights issue. I ask the Prime Minister not to focus on the colour of the skin of my people, but to focus on the rights that they have fought so hard their entire lives to advance in our country. Instead, his focus should be on his government's constitutional and fiduciary responsibility to the first nation, Inuit and Métis people of our country.

The Indian affairs minister has also been very insulting and inflammatory in his comments regarding aboriginal Canadians, showing incredible disrespect and refusing to honour his fiduciary duty to work for first nations, Métis and Inuit Canadians. The Indian affairs minister has been vocally attacking aboriginal funding levels and has been very misleading about the amount of money the federal government spends on aboriginal Canadians.

The finance minister has readily backed up him up, stating that \$9.1 billion is the amount spent directly on aboriginal Canadians, but has failed to admit that a large part of that money is being spent on the administration across several departments. In INAC alone, the Treasury Board estimates that \$600 million is spent on administrative costs, and INAC admits only 82% of the grants and contributions actually make it out.

The minister is also mixing up the entire amount going to Métis and Inuit as well as first nations and ignores the cuts that have occurred without consultation or notice. For instance, budget 2006 dedicated only \$150 million in new money for "aboriginal investments" as \$600 million for housing was already dedicated through Bill C-48 and passed by the previous Liberal government. However, spending cuts, totalling at least \$220 million directly, were imposed on aboriginal programs, including health and languages funding. This means that first nations, Métis and Inuit actually lost \$70 million in funding last year, not even including the terrible loss that the Kelowna accord represents.

Even more disappointing, the Indian affairs minister has made a bad situation worse by neglecting his fiduciary responsibilities. The *Calgary Sun* reported that a child and family welfare service executive in Calgary confirmed that INAC had been forced to redirect "non-core funding" such as those budgeted for child welfare to deal with the water crisis on reserves. Yet many communities are still under a boil water advisory and the minister has admitted he has failed in achieving his targets.

These meagre amounts in new spending for this year are an even bigger insult. They do not address population growth or inflation rates. They ignore the scope of housing, water, child welfare and health funding concerns evident in the first nations, Métis and Inuit communities. They do not make up for literacy and youth employment program cuts that had been made.

This budget is from a finance minister who is on record saying too much health money was being spent on aboriginal Canadians, who are not real people, and from an Indian affairs minister who is on record for saying that they already receive an awful lot of money. This is gutter politics. This time of confrontation has served no one and threatens to have terrible effects on the communities of our country.

The opportunities are still there, though. We encourage the government to respect and implement the Kelowna accord as it passes the House tomorrow night, as I am confident it will. However, regardless of the Conservatives' commitment to the Kelowna accord, the agreement still lives on as a goal and achievement. More than the funding, more than the benchmarks, the Kelowna accord represents a historic time when first nations, Métis and Inuit were respected and empowered to take leadership on behalf of their communities.

Private Members' Business

Doug Cuthand, a respected columnist for *The StarPhoenix*, wrote:

The great failure of Indian policy in Canada has been that other people have been making all of the decisions and deciding what is best for us. Politicians, Indian agents, pundits, missionaries and other various do-gooders have all done their share of thinking for us.

● (1815)

Over 30 years ago our leaders stood tall and fought for their rights in various court arenas throughout the country. They fight again today, using the best skills they have at their disposal, to move forward and respect what the Kelowna accord represented.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Mr. Speaker, I welcome the opportunity to speak at third reading of Bill C-292, the Kelowna accord implementation act.

The so-called Kelowna accord is the product of a meeting held more than a year ago of the former prime minister, the provincial and territorial premiers and several national aboriginal leaders.

The actual document that is represented as the accord, what the right hon. member for LaSalle—Émard purports to be a binding commitment of the Government of Canada, is in fact a news release presented by the government of the day at the close of the meeting. The release lists several proposed investments that total more than \$5 billion over a period of five years.

Although the former government says that it meant this to be a statement of the amount of money it wished to spend, there was no consensus among participants regarding how the money was to be disbursed. There was no detailed plan on how the government would allocate this new funding and how it would ensure that these resources would be spent wisely and produce measurable results.

Indeed, the provincial and territorial premiers and national aboriginal leaders who attended the Kelowna meeting clearly indicated in subsequent statements that considerably more work was needed to develop specific policies, programs and implementation plans.

The challenges that face aboriginal peoples in our country are simply too daunting to be overcome through unfocused, unaccountable spending. A more considered approach is required if we hope to improve socio-economic conditions and to ensure that aboriginal peoples have a standard of living comparable to that of other Canadians.

Canada's new government has developed and begun to implement precisely this type of approach. It is based on practical solutions, targeted expenditures, clear roles and responsibilities, measurable results and accountability, all fundamental elements of prudent, effective administration.

In the short time this government has been in office, our pragmatic, results based approach has generated tangible results for aboriginal peoples. In fact, the number of achievements is too vast for me to recount in the time that is available to me this evening.

Instead, to illustrate the success of our approach, let me use the last time that the House debated Bill C-292, on October 18, 2006, as a reference point. Let me share with the House just a few examples since that date of how this government has taken concrete steps to begin to improve the quality of life of aboriginal peoples in Canada.

On October 20, Bears paw First Nation in Alberta opened a state of the art water treatment plant. This achievement stems directly from the plan of action to ensure safe water supplies for first nation communities announced by the Minister of Indian Affairs and Northern Development last March.

As the House is no doubt aware, soon after this government came into office we learned that more than 200 first nations communities had drinking water systems that were classified as high risk or worse. To address this crisis, Canada's new government devoted some \$450 million to address issues affecting quality of life, including safe drinking water.

In addition to this vital budgetary measure, the minister and the Assembly of First Nations appointed a three member expert panel to provide legislative options for safe drinking water in first nations communities.

On December 7, the minister tabled in the House the expert panel's findings and recommendations, along with a report that outlined progress made on all aspects of the government's plan of action. This includes the removal of several drinking water advisories, improvements to a number of water treatment plants, and increased assistance and training for plant operators. The minister is now considering the panel's recommendations and I expect we will be hearing more on the government's initiative.

● (1820)

Along with helping first nations communities to overcome such crises, this government is working to ensure a brighter long term future for these communities. Indeed, when it comes to land claim settlements, we are living through an extraordinary period of Canadian history, particularly in British Columbia.

In recent months, negotiating teams have achieved a series of unprecedented agreements.

On October 29, federal, provincial and first nations negotiators initialled the Lheidli T'enneh final agreement, the first settlement reached through the British Columbia treaty process.

On December 8, the minister was in Delta, B.C. to attend the initialling of the Tsawwassen First Nation final agreement, the first final agreement for a B.C. first nation whose traditional lands are situated in an urban area.

On December 9, the minister witnessed the initialling of the Maa-nulth First Nations final agreement, the first final agreement in British Columbia that involves more than one first nation community.

Private Members' Business

I am happy to report that the successful resolution of land claims is not restricted to British Columbia. On December 1, the government signed a land claims agreement with the Inuit of Nunavik resolving a claim over offshore areas in northern Quebec and Labrador that had dragged on for more than 13 years.

Canada's new government has also partnered with first nation groups in Quebec to improve school performance among students from first nations communities in the province.

A landmark memorandum of understanding signed on October 26 will lead to incentives for first nation schools to create stimulating learning environments, enhance teaching quality and improve accountability to parents and students.

Education is also the focus of a historic bill that received royal assent on December 12 of last year. The First Nations Jurisdiction over Education in British Columbia Act will enable first nations communities in B.C. to assume increasingly greater control over on reserve education. It is an important step in ensuring first nation students receive a high quality education that respects their languages, cultures and traditions.

On December 13, our new government introduced in the House another significant piece of legislation: Bill C-44. By repealing section 67 of the Canadian Human Rights Act, the bill would ensure that all members of first nations communities will have the legal authority to defend their human rights, a power that all Canadians should be entitled to enjoy.

Despite these and other significant achievements, I readily concede that much work remains to be done to ensure that aboriginal peoples have living standards comparable to those of other Canadians. Both the Prime Minister and the Minister of Indian Affairs and Northern Development recognize this fact but action to help aboriginal peoples achieve this objective does not come from legislation based on a news release presented at the close of a meeting.

Genuine progress is difficult. It requires clear thinking, diligent effort, patience and collaboration. Canada's new government will continue to work in concert with our aboriginal, provincial and territorial partners to achieve this progress. Together, we will create practical solutions. We will allocate appropriate funds. We will establish clear roles and responsibilities. We will set goals and we will achieve them.

Accordingly, I will be voting against Bill C-292 and I urge my colleagues to do the same.

● (1825)

[*Translation*]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Speaker, I have the pleasure and the honour of speaking in this final debate on the Kelowna accord, or Bill C-292, tabled by the hon. member for LaSalle—Émard.

I do not agree with what the hon. member, who is also the Chair of the Standing Committee on Aboriginal Affairs and Northern Development, just said.

First of all, I would say that the Kelowna accord was and still is a nation-to-nation agreement. That is what the current government

does not and is not willing to acknowledge. It is making a mistake by not acknowledging that it is a nation-to-nation agreement between the first nations of Canada and the Government of Canada.

I would like to quickly read a statement made by the former Prime Minister of Canada on November 24, 2005, following the signing of the Kelowna accord. He is now the member for LaSalle—Émard and will surely not deny what he said, and I quote:

I share this only to illustrate what we all know to be true not only in the remote communities of the north, but on too many reserves and in too many cities — that there is an unacceptable gap between the hopeful promise of youth and the experience of Aboriginal adulthood.

The member for LaSalle—Émard said it over and over:

[This] gap [is] made even more unacceptable by the fact that aboriginal youth represent the largest segment of Canadian youth and the fastest growing. We face a moral imperative: In a country as wealthy as ours, a country that is the envy of the world, good health care and good education should be taken for granted; they are the tools leading to equality of opportunities—the foundation on which our society is built.

That is what the honourable member for LaSalle—Émard said and that is what was supposed to be in the Kelowna accord, which this government is not honouring.

The previous speaker thinks that there were no numbers to back up the Kelowna accord. How quickly he forgets what the people who were the driving force behind this accord told the committee.

This is how the \$5.098 billion in the accord was to be spent: \$1.8 billion for education over the next five years. That is what first nations would have received for early childhood, primary, secondary and post-secondary education. There was \$500 million for scholarships for post-secondary studies and training; \$1.05 billion to promote innovation in on-reserve education; \$150 million for off-reserve initiatives in the public school system; \$50 million to improve education in the north; and \$100 million to prepare children for school. That is what the accord included for education.

For housing, the Government of Canada would have invested \$1.6 billion in improving housing conditions over the five years following the Kelowna accord.

● (1830)

Of that \$1.6 billion, an amount of \$600 million was planned for the transformation of social housing on-reserve; \$300 million to support new federal-provincial-territorial partnership agreements for aboriginal housing off-reserve; and \$300 million for housing partnerships.

As well, \$400 million was planned for water supply and other infrastructure, as well as an acceleration of the first nations water management strategy. In addition, \$1.3 billion was to be allocated for health programs over the next five years, including \$870 million to stabilize the first nation and Inuit health system; and \$445 million to promote transformation and to build capacity.

Our neighbours across the way will say that no numbers were given, but that is false.

Furthermore, there is also the matter of economic development. The federal government was to invest \$200 million over the next five years to promote the economic development of aboriginal people, including \$12 million toward accelerating the regulatory regime under the First Nations Commercial and Industrial Development Act for commercial and industrial activities; and, \$188 million for economic development framework initiatives.

When I hear the present government tell us that no numbers were given, that it was put together haphazardly and that there is no obligation to respect it, I find that shameful. I hope that the first nations who are listening to us tonight heard clearly all the amounts that I have just quoted. I was not there when the Kelowna accord was signed but our research and the witnesses who testified in committee have enabled us to know exactly what amounts were involved.

If that was not enough, the member for LaSalle—Émard—who was the Prime Minister of Canada when the Kelowna accord was signed—was asked whether, in addition to the \$6 billion annual budget for the Department of Indian and Northern Affairs, he had included in his budget funding needed to implement this accord. His answer was “Yes”; he had allocated \$1.2 billion per year for the next five years.

What do the first nations need? They need \$1.2 billion per year. Although the present government wants to make us believe otherwise, it has not invested an additional \$1 billion in native peoples and nations.

What are we doing? Not only are we creating a huge fiscal imbalance with regard to the first nations, but we are also creating a huge social imbalance. That is what the current government will have to address.

We are told that investments are being made. When I look at the budget tabled by the new Minister of Finance, I notice that there is nothing for this year—nothing. There is an additional \$150 million for the first nations. That is it. That is nowhere near the \$1.2 billion per year. Given that the Kelowna accord was signed in November 2005, there should have been \$1.2 billion in 2006, \$1.2 billion in 2007, and we should have seen an additional \$1.2 billion in the budget just tabled. We are not even close to the \$3.6 billion that the first nations should have received.

• (1835)

This evening, I am telling the first nations that a great deal of pressure will have to be exerted because the development of the first nations is not a priority for this government.

It is true—

The Acting Speaker (Mr. Andrew Scheer): I am sorry to interrupt the honourable member, but his time is up.

The honourable member for Nanaimo—Cowichan.

[English]

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I am pleased to speak to this private members' bill. I unequivocally state that the New Democrats will be supporting this private members' bill.

Private Members' Business

It is important to put some things in context. There are some fundamental differences in the understanding of what happened at that historic moment in Kelowna. I want to quote from Justice Thomas Berger's book *A Long and Terrible Shadow*. This is in the context of the Nisga'a agreement, but I think his analysis captures the challenges that are facing us. Justice Berger, in talking about Chief Justice Davey's inability to comprehend the true nature of native culture and native claims, said:

It results in an attitude toward Native people that exasperates them when it does not infuriate them. This attitude is sometimes manifested in an attempt to preserve Native culture and sometimes in an attempt to eradicate it, but it is always manifested in a patronizing way. It assumes that Native culture cannot be viable in a contemporary context. This is the crux of the matter. Native people insist that their culture is still a vital force in their own lives, that it informs their own view of themselves, of the world about them, and of the dominant society.

That particular quote applies to the fact that there are Conservative members of the House who deny the reality of the important work that led up to Kelowna. They deny the reality of 18 months of work, when provinces, the federal government and native leaders from a number of organizations from coast to coast met to talk about the elements that were important for people to come together and agree upon, to talk about the important elements around budgetary requirements.

The Conservative government denies that oral tradition. It denies the validity of the handshake. It denies the validity of a consultation process. Instead, it quibbles about whether or not there was a signed document.

What I know is that in the province of British Columbia where I live the premier of British Columbia, the former prime minister and the leadership council of British Columbia actually signed an agreement based on their understanding of what happened in Kelowna. They signed a tripartite agreement that transformed the discussions in Kelowna into tangible benchmarks. They had a plan. There were results that they were hoping to achieve through the efforts that happened in Kelowna.

What we are facing here is a fundamental difference in a cultural approach. The Conservative government out of hand dismisses that cultural approach to negotiating a deal. I urge the Conservative members to take a second look at what is culturally appropriate for first nations, Métis and Inuit peoples across this country and accept the fact that there is a consultation process that can end up in tangible results that work for all parties.

There is much material and numerous reports on the state of affairs in first nations, Métis and Inuit communities across the country. I could use up my entire time in talking about the desperate poverty, but I will only highlight a couple of points.

The Assembly of First Nations issued a report, “Royal Commission on Aboriginal People at 10 Years: A Report Card”. Overall the government response over 10 years has been a dismal failure. Overall the report card was an F, a complete failure. I will talk about a couple of points here. It was a bit of a reality check.

Under the heading “The Reality”, there is the statement:

No sustained investment in meeting the basic needs of First Nations communities, or in addressing key determinants of health/well-being.

Private Members' Business

Under the heading “Canada’s Failure to Act”, there is the statement:

No structural change in the relationship between First Nations and the Canadian government, as recommended by RCAP.

It also says that there has been inadequate funding growth for health programs, capped at 3% for 10 years.

In case people want to think that these are only numbers, I am going to talk about a couple of communities across the country. In a news article in the *Toronto Star* on November 18, 2006, entitled “Where tragedy falls off Canada’s map”, it is stated:

The United Nations Human Development Index equates the Aboriginal standard of living in this country with that of Brazil, well below the Canadian norm.

• (1840)

She talked to many people in her travels across the country and talked about two people she met in her travels. She says:

This year, I met Phyllis and Andy Chelsea, a Shuswap couple in B.C. whose house is rotting with mould. Statistics Canada says 50 per cent of reserve housing is like this.

In my riding of Nanaimo—Cowichan, many houses are rotting with mould and yet we do not have any concrete programs to look at mould remediation. We do not even have a handle on the number of houses that need to be fixed due to mould.

She goes on in the same article to say:

After spending a year going in and out of Aboriginal communities, after reading dozens of books and countless reports, I’ve come to believe we have driven the original inhabitants of this country into a place where their survival is at risk.

Those are very hard words. Surely, in this day and age and in one of the richest countries in the world we should not have citizens living in third world conditions. Save the Children visited two reserves in northern Ontario and now we have more international attention on the desperate conditions on these reserves which have mouldy houses, contaminated drinking water and no running water. It goes on and on.

The Kelowna accord is an opportunity to at least look at some of the program dollars. The Kelowna accord fell short in talking about specific land claims, comprehensive land claims, treaty settlements and self-governance but it was a step in the right direction.

This is a budget that has failed to deliver. A number of the native leaders have spoken up quite strongly. Because their words are far more powerful than mine could ever be, I want to quote from some of these leaders. National Chief Phil Fontaine stated:

We don’t see any reason to believe that the government cares about the shameful conditions of First Nations. We have tried dialogue and tabled a rational plan to address it.

There are so many frustrated people in our communities—especially our young people. And it’s becoming increasingly clear that there’s very little tolerance left in our communities for the kind of poverty that’s been imposed on our people.

Further in the same article from *The Guardian* of March 20, he states:

It is clear that First Nations have been left out of the “stronger, safer, better Canada” painted by the finance minister.

In the same article, Beverley Jacobs, the head of the Native Women’s Association of Canada, blamed a Conservative government approach to aboriginal issues that she says is essentially a “racist one”.

She goes on to say:

Racism is ignorance. It’s not being aware of the history of our people, and the history of the impacts of Canada’s assimilation policies—that’s the reason why we’re dealing with poverty and the impacts of (Indian) residential schools.

We know that Indian residential schools have a generational impact and that many first nation communities are suffering because of a lack of attention. Yes, there has been money for the residential school agreements but there is much more that could be done around healing and reconciliation. In fact, I would argue that the very first agenda item should be an apology from the Conservatives and the Prime Minister of the day for what happened at residential schools.

In a release from the Union of B.C. Indian Chiefs, entitled “The \$9 Billion Myth Exposed: Why First Nations Poverty Endures”, they talk about the fact that once all the departmental and administration costs are factored in, each status Indian receives only \$7,505.25 in programs and services, not the \$15,100 as stated by the government.

A number of other organizations have spoken up about the fact that Kelowna was a step in the right direction and that there was an opportunity in this budget to acknowledge the work that had been done. They are dismayed at the failure of the Conservative government to move forward on some of the issues around housing, education, water, sewage treatment, infrastructure in the communities and more economic development.

I would urge members of this House to support this private member’s bill and at least signify an intent to move forward to address the desperate poverty in many first nations, Métis and Inuit communities in this country.

• (1845)

The Acting Speaker (Mr. Andrew Scheer): Resuming debate. The mover of the motion will now have a five minute right of reply. The hon. member for LaSalle—Émard.

[*Translation*]

Right Hon. Paul Martin (LaSalle—Émard, Lib.): Mr. Speaker, first I would like to thank the members who have spoken in favour of the Kelowna accord tonight and previously. I would like to thank the members who voted for it.

I would also like to thank the aboriginal leaders, from coast to coast, who spoke publicly in favour of a fundamental improvement in the situation of their fellow citizens.

[*English*]

The Kelowna accord is not simply important because a group of people, the federal government, the prime minister, ministers, provincial and territorial premiers and leaders, and the leaders of Canada’s aboriginal people, the Métis nation, the first nations, the Inuit, came together at Kelowna. It is important because at that historic moment the nation came together and said that the lack of decent water, the lack of decent housing and the lack of economic opportunity is not acceptable.

Adjournment Proceedings

We have heard members of the opposition parties speak here tonight. I would ask members of the government if they think it is acceptable that one million Canadians, the youngest and the fastest growing segment of our population, should at the same time have the highest incidence of infant mortality, the lowest life expectancy, that they should have the highest incidence of AIDS, tuberculosis and diabetes.

[Translation]

Do they think the dropout rate among aboriginals in our country should be double—and almost triple—that of other Canadians?

[English]

Kelowna is about saying to the youngest segment of our population that they have the right to the same educational opportunities as other Canadians. It says that in a world in which we must compete with other countries which are showing great productivity and great growth, we believe that every single Canadian counts.

Kelowna is also about the way in which it was arrived at. Members of the current government witnessed it on television with their own eyes. All of the political leaders in this country came together to say that we will no longer impose upon the aboriginal communities of this country our way of looking at things, that we will work with them.

Kelowna is important for its objectives, but it is also important for the way in which it was arrived at, the 16 to 18 months of fundamental discussions in community after community, in province after province, in territory after territory, as to how in fact this great partnership between us as Canadians should work. That is what Kelowna is all about.

For members of the government to stand here and say that that never happened is a denial of a fundamental reality and a historic coming together.

I am very proud of the Kelowna accord and I am very proud of the members of Parliament who have supported it.

• (1850)

The Acting Speaker (Mr. Andrew Scheer): 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. Andrew Scheer): All those in favour of the motion 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 yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Andrew Scheer): Pursuant to Standing Order 98, the recorded division stands deferred until Wednesday, March 21, immediately before the time provided for private members' business.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

[English]

FOREIGN AFFAIRS

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, what brings us here this evening is that on November 28, some four months ago, I raised the following question in the House. I said:

—Huseyin Celil is a Canadian. The Chinese government is holding him against our country's will and has violated international law. It does not get more serious than this. The Parliamentary Secretary to the Prime Minister has suggested a high level diplomatic delegation be sent to China to secure his release. The Celil family has requested one.

When will the government send a diplomatic mission to China to ensure consular access and when will the Prime Minister appoint a special envoy to stand up for this Canadian?

As far as I was concerned, the answers I received on November 28 were insufficient.

In March 2000, the U.S. government's "Country Reports on Human Rights Practices" severely criticized Beijing for "further backsliding on a dismal human rights performance".

Although there was some reason to hope that China's human rights record might be improving in light of the Olympic Games, it just does not seem to be the case.

We believe that raising the issue of China's record on human rights is important and in fact critical, but the government's criticism is causing a communication breakdown between our countries.

A real dialogue about issues is not about accusations of cancelled meetings, using the press as the medium. It is an honest, open and accountable process that takes time and sets meaningful objectives.

Today, Huseyin Celil has been in prison for more than one year. We continue to call for a high level delegation to go to China. We do not want to send diplomatic officials to stake out the courtroom, as the Prime Minister has suggested. It seems to be less than appropriate to do that. We do want the Chinese government to take our demands very seriously.

I would like to read for the information of the House some material posted in the *Toronto Star* and written by Errol Mendes. Entitled "China won't yield to lectures from us: Top Canadians and business leaders must persuade Chinese that their trade interests are best served when Beijing adheres to the rule of law", the article stated that the Prime Minister recently expressed anger, doing so because:

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—our embassy officials in Beijing did not attend the start of the criminal trial of Canadian citizen Huseyin Celil in Urumqi, a remote urban centre in China. Canadians were informed of his trial by his relatives in Canada, not by anyone in the government. His relatives, who attended the trial, claim Celil disclosed that he had been tortured and threatened with being buried alive if he did not confess to the alleged terror-related charges.

[The Prime Minister] is demanding that embassy officials stake out the trial, even if they are not admitted to the proceedings.

Even if the officials followed the Prime Minister's instructions, it is unlikely to affect the outcome of what is only nominally a trial, given the possibility of torture and forced confessions.

It does not bode well that China refuses to recognize Celil's Canadian citizenship and have also broken international legal obligations by refusing to allow consular officials to visit him in prison.

Only the direct intervention by the Prime Minister with President [of China] Hu Jintao could possibly affect Celil's bleak future. There is also a possibility that even [the Prime Minister's] intervention may not suffice, given the state of relations—

• (1855)

The Acting Speaker (Mr. Andrew Scheer): The hon. Parliamentary Secretary to the Minister of Foreign Affairs.

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, first I would like to thank the hon. member for Hamilton East—Stoney Creek for raising this issue. It has been followed very closely and with great intensity by the Prime Minister and the Minister of Foreign Affairs, as well as numerous departmental officials in Ottawa and Beijing who are responsible for consular services and diplomatic relations with China.

I can assure the hon. member that the government will not stop pursuing the issue until satisfactory answers are received from the Chinese government regarding the rights and well-being of Canadian citizens in China.

Canada and China share important political, economic and social ties. Canada remains committed to strengthening this bilateral relationship. Given this relationship, our primary goal will always be to protect the interests of Canadians and to hold steadfast on our values. We understand China's considerable and growing importance to Canada and the world, both politically and economically, but we will not compromise our values.

For these reasons we remain committed to full and constructive relations with the government of the People's Republic of China whenever our interests are at stake. We will continue to push forward an open, honest and constructive dialogue aimed at the betterment of our relations.

Canada is engaged in a number of important discussions with China on a wide variety of matters complemented by high level visits. The Prime Minister met with the Chinese president in Vietnam. The Minister of Foreign Affairs met with Chinese Minister of Foreign Affairs Li on three occasions last year. The ministers of Agriculture and Natural Resources made official visits to China last year, and the ministers of International Trade and Finance have already visited this year.

Canada welcomed China's minister of labour last year. Parliamentary delegations visited China last year as well as twice this year. These ministerial and parliamentary contacts, as well as senior exchanges from the Canadian provinces, the private sector, municipalities and academia serve to entrench the growing practical cooperation between our two governments.

With regard to the case of Mr. Celil, the Prime Minister and the Minister of Foreign Affairs have both raised this case during their meetings with Chinese officials. During every one of the visits I mentioned earlier, Mr. Celil's case was raised at every opportunity.

Senior foreign affairs staff met with the Chinese ambassador and reaffirmed our requirement for access to and information about Mr. Celil. Senior bureaucrats and diplomatic staff continue to use every opportunity to raise this case with their Chinese counterparts. This will continue until we receive a satisfactory response from the Chinese government.

I would like to assure the hon. member that we are making every effort to obtain access to Mr. Celil in China. He is a Canadian and we will use every opportunity and every means we deem appropriate to confirm Mr. Celil's well-being to ensure that he is afforded due process and that his rights are respected.

Mr. Wayne Marston: Mr. Speaker, I would like to thank the parliamentary secretary for his response, but it is as much about what we do as what we say.

We should be setting the stage and we should be acting on recommendations from the United Nations human rights bodies. We should be keeping our international commitments. We should be leading on human rights to live up to our own position on the UN Human Rights Council.

Canada was elected as one of the members of the new Human Rights Council to replace the old discredited commission. In running for that position we made clear commitments to improving our record. Yet, recent reports say that Canada has a poor record in implementing our international commitments and our obligations at home.

Just as an example, the optional protocol on torture which we took to the United Nations and which we saw through the United Nations has not been signed by Canada.

However, as I said, I would like to thank the parliamentary secretary for his response.

• (1900)

Mr. Deepak Obhrai: Mr. Speaker, Canada is exploring every opportunity and every option to raise the case of Mr. Celil with the Chinese government in an effort to secure information and access to Mr. Celil.

Canada will use every method that is deemed appropriate to put forward Canada's desire of ensuring Mr. Celil's well-being. The Prime Minister and the foreign affairs minister will continue to actively monitor this case. We will use every international forum and every opportunity, as I have mentioned, to ensure that the rights of Canadians are protected overseas.

Adjournment Proceedings

[Translation]

WAGE EARNER PROTECTION PROGRAM ACT

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, thank you for the opportunity to speak today in this adjournment debate, to come back to Bill C-55, An Act to establish the Wage Earner Protection Program Act, to amend the Bankruptcy and Insolvency Act and the Companies' Creditors Arrangement Act and to make consequential amendments to other Acts.

As we all know, this bill proposes the creation of a wage earner protection program for workers whose businesses have gone bankrupt.

For quite some time now, the Bloc Québécois has been working with the United Steelworkers on proposals to amend the Bankruptcy and Insolvency Act, in order to ensure that employee wages and pension funds are the first debts in line to be reimbursed when companies go bankrupt.

That is why the Bloc Québécois was eager to support Bill C-55 when it was presented in this House a year and a half ago, in spite of the bill's imperfections and our many reservations.

However, certain principles of social justice were included in Bill C-55: employees must be paid for the hours they have worked; unlike large corporations, workers have nothing but their salary as a source of income; workers' pension funds are sacred.

For the benefit of the people listening to us now so that they understand, I would just like to go back over the bill a little bit and especially the wage earner protection program.

The federal government would cover up to \$3,000 of the unpaid wages due to employees when their employer goes bankrupt. The payments made under this program are taxable but take other contributions into account.

This means that regardless of the value of the employer's property, employees will get most if not all their unpaid wages. The Department of Industry estimates that \$3,000 will cover 97% of the unpaid wage claims.

In return, employees who receive a WEPP payment will have to forfeit to the federal government any right they have under the Bankruptcy and Insolvency Act to file a claim up to the amount that they have already received from WEPP. The government would therefore be responsible for recovering the amount it paid to employees under WEPP.

This was an acceptable mechanism, and although obviously unprecedented in Canada or Quebec, it was satisfactory. The advantage was that employees would be paid more quickly. There was also a little provision on the pension protection plan that was very welcome as well.

So what happened to this bill? It passed unanimously in the House in November 2005, but then the new Conservative government that arrived on January 23, 2006 put it aside.

Furthermore, every time I asked questions about it in the House, the labour minister just said that it was coming. That is the answer I got last November 22.

So now I would like to know when it is coming. Can the parliamentary secretary tell me what is happening with this bill? When does he think he will come up with some solutions? There are between 9,000 and 10,000 commercial bankruptcies a year.

Does the current budget still contain the \$32 million provision needed for the wage earner protection program?

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Natural Resources, CPC): Mr. Speaker, I am pleased to rise today to answer the question asked by the hon. member for Saint-Bruno—Saint-Hubert.

As the member knows, the Wage Earner Protection Program Act was part of Bill C-55, which proposed a comprehensive reform of Canadian bankruptcy legislation, the purpose of which was to adapt that scheme to better reflect the needs of businesses, investors and employees.

In the last Parliament, Bill C-55 passed very quickly, thanks to the unanimous support of members of all parties.

When Bill C-55 was passed in 2005, it was understood that the legislation would be examined in greater depth by the Senate committee responsible for the matter later, with the aim of resolving certain technical problems before it came into force.

In fact, the members of the Senate committee asked that implementation of the legislation be postponed until after June 30, 2006, so that they could study it further.

That is the background against which the Minister of Labour and Minister of Industry worked together to draft a bill to amend that legislation.

I would like to discuss the main technical amendments that we would like to introduce so that we can be sure that the wage earner protection program operates as was originally intended by Parliament.

One of those amendments is to authorize the wage earner protection program to pay bankruptcy trustees for work done in connection with administering the program in certain circumstances, to facilitate equitable access to the program by employees who have not been paid.

Another amendment is to change the eligibility requirements to make them fairer, while reducing the risk of abuse.

On December 8, the Minister of Labour tabled a notice of ways and means motion so that the bill to make these technical amendments could be introduced. He urged the opposition to support the motion and the bill, so that this important legislation could be implemented as soon as possible.

Given the government's full legislative agenda, the Minister of Labour hopes to be able to count on the unanimous support of all parties so that this bill can be submitted to the Senate in as short a time as possible.

My government again urges all members of the House to support this important legislation.

Adjournment Proceedings

•(1905)

Mrs. Carole Lavallée: Mr. Speaker, I would like to thank the parliamentary secretary for his answer.

I would like to ask him a very short question and I would like a very clear answer. It is true that the Minister of Labour tabled a notice of ways and means last December 8. What happens next? Normally, he should table the new bill with corrections. He has had over a year to prepare it. The Senate had all the time it needed to study this bill.

Can the parliamentary secretary answer my question and tell us when this major bill is to be tabled? A notice of ways and means precedes the tabling of a bill, so can he tell us when that bill will be tabled? Obviously, I would like that to happen as soon as possible.

Mr. Jacques Gourde: Mr. Speaker, as has already been said in this House, the government wants to have the necessary technical

amendments to Bill C-55 adopted, to be able to implement the wage earner protection program.

Considering the government's heavy legislative agenda, the Minister of Labour hopes to count on the unanimous support of this House in order to expedite the adoption of the necessary technical amendments, thus ensuring the effectiveness of the program.

I am just as eager as my colleague to pass this act and implement the program.

[*English*]

The Acting Speaker (Mr. Andrew Scheer): The motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Order 24.

(The House adjourned at 7:09 p.m.)

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