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OFFICIAL REPORT
(HANSARD)

Wednesday, January 28, 2009

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Wednesday, January 28, 2009

The House met at 2 p.m.

Prayers

• (1400)

[*English*]

The Speaker: It being Wednesday, we will now have the singing of the national anthem led by the hon. member for Simcoe North.

[*Members sang the national anthem*]

STATEMENTS BY MEMBERS

[*English*]

LAURIER OUTSTANDING BUSINESS LEADER AWARD

Mr. Peter Braid (Kitchener—Waterloo, CPC): Mr. Speaker, last week Wilfrid Laurier University presented its annual Outstanding Business Leader Award. This year's recipient is Mr. Jim Balsillie, a prominent community leader in my riding of Kitchener—Waterloo.

Mr. Balsillie is perhaps best known as the co-chief executive officer of Research in Motion, the company that produces the famous Blackberry.

In addition to his well-known business achievements, Mr. Balsillie has founded both the Centre for International Governance Innovation and the new Balsillie School of International Affairs.

His significant investment in these institutions establishes Waterloo as a centre of innovative thinking in the study of international relations, promotes our understanding of global issues and helps Canadians define our important role in the world.

I trust that all members of the House will join me in congratulating Mr. Balsillie on this prestigious award.

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ELMER MACDONALD

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I take this opportunity to honour and pay tribute to the late Elmer MacDonald. Elmer was a loving husband, father, grandfather and friend and

leaves behind a legacy of agriculture ingenuity and community service.

At age 18, he bought his own farm and turned his one cow, one employee operation into a multi-million dollar business. Products such as Elmer's Ice Cream and Elmer's Yogurt have become household names throughout the Maritimes.

In 1994 Elmer's leadership and dedication was recognized by his induction into the Agriculture Hall of Fame. He humbly attributed his success to dedicated employees and family commitment.

Elmer shared his creative and generous spirit with the community through the Queen Elizabeth Hospital Foundation, the Chamber of Commerce, UPEI, his church and the 4-H.

Elmer's memory will live on through the soccer complex made possible by his generous donation.

Our regards to his family.

* * *

• (1405)

[*Translation*]

MADELEINE GÉRIN

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, I would like to pay a final tribute today to a great lady from my riding, who died on January 18 at the age of 92.

Madeleine Gérin was one of the founding forces behind the Coaticook Hospital and fought valiantly to ensure that her community had access to quality health services. In the 1950s, she devoted her efforts to recruiting nuns, as this was a requirement at that time in order to obtain a hospital. She headed the hospital board of governors and contributed in a variety of other ways to its development and expansion.

There is no doubt that her community involvement encouraged her eight children to follow her example, her son François in particular. He was one of the founders of the Bloc Québécois, and sat in this House from 1984 to 1993.

Pioneer and visionary that she was, Madeleine Gérin was a pillar of the Coaticook community and of her entire region. The tributes paid to her today are richly deserved.

Statements by Members

[English]

THE BUDGET

Ms. Irene Mathyssen (London—Fanshawe, NDP): Mr. Speaker, the Conservative budget has failed Canadians. There is not a single mention of women in the entire document and no funding for issues that directly affect them.

The budget maintains the attack on women's ability to pursue pay equity complaints. New Democrats have repeatedly called for a pay equity commissioner to ensure complaints are dealt with effectively and efficiently.

The budget contains no mention of new child care spaces. Without a national child care program, there is a chill for women who wish to contribute to the economy.

Two-thirds of women still do not qualify for EI. The call for crucial changes to the system was ignored, leaving many women without any benefits despite having paid into the fund.

The tax cuts in the budget will be of little or no benefit to the poorest 68% of women. In tough economic times it is crucial that the government invest in protecting the most vulnerable.

The budget has failed women and their families. It has failed them miserably.

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HELEN MAKSAGAK

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, residents of Nunavut Territory celebrate their tenth anniversary this month, but they are also saddened that Helen Maksagak, the first Commissioner of Nunavut, passed away last Friday at the age of 77.

This remarkable Inuk woman served the public by working for the RCMP, a transient centre, as Deputy Commissioner and Commissioner of the Northwest Territories, the N.W.T. Roundtable on the Environment., director of the regional drug and alcohol board and the Canada Committee of the International Year of the Family.

Legislation and policy during her commissioner tenure focused on the creation of Nunavut, the fulfillment of the requirements of the Nunavut land claims agreement, self-reliance at the individual and territorial level and the adoption of a single time zone.

In recognition of her public service, in 2003 she was named to the Order of Canada. Governor General Adrienne Clarkson remarked that Helen Maksagak had given an enormous amount and had indeed made an imprint on the history of the country.

We offer our sympathy to the Maksagak family and thank them for sharing their mother with the north in such important work and accomplishments.

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MARGARET BRIDGMAN

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, I rise today to remember Margaret Lilian Bridgman, the member of Parliament for Surrey North from 1993 to 1997, who passed away at home in Surrey, British Columbia on January 4.

Margaret was a registered and psychiatric nurse by profession who dedicated her life to caring for others. She had an adventurous spirit and was an avid outdoorswoman and canoe enthusiast. Before and after each parliamentary sitting, Margaret would drive her Ford Bronco across much of Canada, to and from Ottawa, to see the country she loved and served.

As a member of Parliament, she served as the Reform Party's critic for health and later as the critic for Indian affairs.

After serving in the 35th Parliament, Margaret returned to nursing in Surrey until her retirement. She was an animal lover, enjoyed a good debate over rye and ginger and greatly valued her independence and her friends. I am told she was philosophical and matter-of-fact about her illness and was determined not to allow it to get in the way of her living.

Margaret Bridgman looked back fondly on her service to the people of Surrey North and Canada in this place. May she rest in peace.

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BLACK HISTORY MONTH

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Mr. Speaker, in February we will again celebrate Black History Month throughout Canada, and this has significant importance to my riding of Chatham-Kent—Essex.

Prior to abolition in 1865, as many as 40,000 men, women and children made the perilous trip north from enslavement in the United States to freedom in Canada. In that era Kent County became the safe haven for more refugees than any other county in Canada.

Bryan Prince, a constituent of mine in Chatham-Kent—Essex, himself a descendant of slaves, has written and published a book entitled *A Shadow on the Household: One Enslaved Family's Incredible Struggle for Freedom*, which tells the true story of the Weems family and their struggle to liberate themselves from slavery. An unforgettable story of love and persistence, the Weems family saga must be read to be believed.

Congratulations to Bryan Prince, his wife Shannon and the family in yet another contribution to black history preservation in Chatham-Kent—Essex.

* * *

● (1410)

[Translation]

ÉMILE BOUCHARD

Mr. Michel Guimond (Montmorency—Charlevoix—Haute-Côte-Nord, BQ): Mr. Speaker, I have the pleasure of rising in the House today to pay tribute to a former captain of the Montreal Canadiens and member of three all-star teams, who was admitted to the Hockey Hall of Fame back in the 1960s, played on four Stanley Cup winning teams, was the president of the Montreal Royals, as well as a businessman: Émile “Butch” Bouchard.

This upright man and proud Quebecker was a great source of moral support to his teammates at a time when team owners held all the rights and all the power.

The Bloc Québécois supports the efforts of his family and joins with them in calling upon the management of the Montreal Canadiens to retire his number and hoist his jersey to its place of honour in the rafters of the Bell Centre alongside those of all the other hockey greats who helped build the dynasty that is the Canadiens, for he is definitely one of them.

Let us hope that the Montreal Canadiens will not repeat the mistake the club made with Bernard Boum Boum Geoffron, and that the jersey of Émile “Butch” Bouchard will be retired while he is still with us.

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[English]

CONSERVATIVE PARTY OF CANADA

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, on Friday last week, we celebrated a very important anniversary. Three years ago, on January 23, 124 Conservative members of Parliament were sent to Ottawa with a mandate to clean up government, provide tax relief for Canadians and restore Canada's position on the world stage.

It was also the first time I was ever elected to the House of Commons, and I remember the excitement among my campaign volunteers that night when the first Conservative government in nearly two decades was elected.

Since January 23, 2006, our government has accomplished a great deal, and can you not just feel the love, Mr. Speaker? From passing the Federal Accountability Act, to investing in the Canadian Forces, to the responsible economic action plan for tough economic times we tabled yesterday, we can all be proud of our Conservative government's record.

To my caucus colleagues and all the Conservative Party members, volunteers, donors and voters in my riding and across the country, let us celebrate our first three years in government and many more to come.

* * *

STAN HAGEN

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, the people of British Columbia lost one of our most honourable and loyal public servants last year, Stan Hagen.

The sudden passing of Stan, a 12 year member of the legislative assembly in B.C. and cabinet minister, is a great loss to his friends, his family, his colleagues and his constituents in the Comox Valley and the many British Columbians he served over the years.

I sat right beside Stan in the B.C. legislature for four years and we worked closely on many shared objectives. I rarely saw him lose his cool or his sense of humour.

One legacy he was particularly proud of, the central coast land-use agreement, will enrich the lives of aboriginal and non-aboriginal British Columbians alike for generations with its one million hectares of new parks and protected areas.

Statements by Members

Stan was a wonderfully warm and caring human being. I would like to offer condolences to Judy, Stan's wife, and to the rest of his family and friends. Our thoughts and prayers are with them.

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[Translation]

THE BUDGET

Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC): Mr. Speaker, a number of stakeholders in Quebec have praised the economic plan our government introduced yesterday. These include the Conférence des recteurs et des principaux des universités du Québec, the Coalition pour le renouvellement des infrastructures du Québec, the Conseil du patronat du Québec, the Federation of Canadian Municipalities, the Fédération Québécoise des Municipalités, the Fédération des chambres de commerce du Québec, and the Canadian Television Fund. The list is a long one.

With this budget, we will improve the employment insurance system, invest heavily in infrastructure, help struggling industries and communities, offer a tax credit for home renovations, and reduce taxes for middle-class taxpayers.

I invite the members of the Bloc Québécois to demonstrate solidarity and cooperation by supporting this budget, which will stimulate Quebec's economy.

* * *

• (1415)

[English]

EMPLOYMENT INSURANCE

Mr. Malcolm Allen (Welland, NDP): Mr. Speaker, the government had a monumental moment in history to move Canada forward, an opportunity to provide Canadian families with a real sense of hope and stability.

As we witnessed in the budget delivered yesterday and in the announcement by the Liberal Leader of the Opposition to join in supporting the Conservatives, this monumental moment has been lost.

Thousands of Canadians have already lost their jobs this year and changes to employment insurance proposed by the government failed to provide the change needed to support and protect Canadian workers.

Not one worker in my riding of Welland nor in the rest of this country will qualify for EI benefits because of the budget. After all, if workers cannot access the program, an extra five weeks of nothing is still nothing.

The government, with the support of the Liberals, has chosen not to expand eligibility. It has chosen not to eliminate the waiting period. Together the Liberals and Conservatives have failed to provide stability and hope to the people of Canada.

The Conservatives and Liberals have chosen to balance the books of employment insurance on the backs of Canadian workers. This is unacceptable and will not be supported by New Democrats.

*Oral Questions***INFRASTRUCTURE**

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, I rise today to remind the House of our government's commitment to stimulating economic growth and investing in Canada's core infrastructure.

By expanding and accelerating our infrastructure investments, we will provide almost \$12 billion additional stimulus for our economy, above and beyond our \$33 billion building Canada plan.

Through Canada's economic action plan, we will take immediate action to repair vital bridges, like the Peace Bridge in Fort Erie and the Champlain Bridge in Montreal, and work with our provincial colleagues to twin parts of the Trans-Canada Highway.

These actions will provide long term safety benefits and reduce traffic congestion. More important, though, our actions are putting Canadians to work, helping our communities and positioning Canada's economy for a stronger future.

The government continues to work with all levels of government to get these projects moving and strengthen our economy.

* * *

[Translation]

THE BUDGET

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, with this budget, the Conservative government has clearly decided to turn its back on Quebec by breaking its promises. In this budget, the government is once again proposing a single securities commission, and it is making the fiscal imbalance even worse by taking away \$1 billion in equalization payments from the people of Quebec.

Moreover, the Conservatives have done nothing to help the thousands of unemployed people who will still not have access to employment insurance. The government has also ignored older workers, and it has failed to improve the guaranteed income supplement for seniors.

These tax cuts will not have a significant impact on economic stimulation or on the middle class. Furthermore, the Conservatives have stubbornly chosen not to reverse cuts to funding for culture and economic development organizations.

Once again, the Conservatives have dropped Quebec in favour of Ontario and the big oil companies that will continue to benefit from generous tax measures. That is why the Bloc Québécois will strongly oppose this unfair, ideological budget.

* * *

[English]

THE BUDGET

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.): Mr. Speaker, our party is putting the Conservative government on probation.

Only months ago it failed Canadians by playing partisan political games with its economic statement.

We will hold the government to account for its broken promises to Canadians.

[Translation]

The budget contains a few positive measures that the Conservatives adopted under pressure from the Liberals. We are concerned about certain aspects, however, and we will hold the government accountable on those issues. We are putting this government on probation.

[English]

The budget contains no new child care spaces, no substantive environmental initiatives and it lacks any credible plan for getting us out of the Conservative \$85 billion deficit.

Canadians want a government that listens, that shows them it has learned from its mistakes and that it is capable of reaching across party lines. The stakes for Canadians are just too high for the government to act otherwise.

* * *

THE BUDGET

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Mr. Speaker, yesterday, further to the biggest pre-budget consultation in Canadian history, the Minister of Finance tabled Canada's economic action plan.

Through our economic action plan, we will protect vulnerable Canadians and assist workers by providing an extra five weeks of EI benefits to those who need it most. We will help 50,000 more people who do not normally qualify for EI to access the training they need to enter the workforce. We will assist 10,000 long-tenured workers with additional financial support and training to enable them to get the new skills they need. We will help older workers with an additional \$60 million to provide training and assistance to find new jobs. We will create over 85,000 new jobs by strengthening the stock of social housing and building communities.

Canada's economic action plan will protect the jobs of today while creating the jobs for tomorrow.

ORAL QUESTIONS

● (1420)

[Translation]

THE BUDGET

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, Canadians want to be sure that the funding announced in the budget will indeed make it to their communities and not be obstructed by administrative formalities or ideological resistance.

Does the Prime Minister recognize that the framework for accountability needs to be improved in order to ensure that the measures set out in his budget are implemented?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I agree that the measures set out in the budget are very important for the economy. Clearly, I want to see these measures implemented as soon as possible.

[*English*]

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, only one \$20 million cheque has ever flowed from the government's existing \$1.5 billion building Canada fund. How will Canadians have the assurance they need that the infrastructure funds announced in this budget actually reach the communities in need?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I think we should correct the record on that question. I have a list here of the government's spending record on infrastructure. After this government took office in 2006, the amount of federal infrastructure spending doubled to \$2.6 billion. The year after, in 2006-07, it went to \$2.8 billion. In 2007-08 it went to \$3.1 billion. In 2008-09 we estimate \$4.4 billion. And, of course, with the cooperation of this Parliament, we can pass the measures to make that spending even more effective and more quick in the future.

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the question was about the building Canada fund.

[*Translation*]

I have another question. Equalization is another area in which the Prime Minister is proposing changes without any consultation. That is not the way to lead this federation.

Since the Prime Minister is not keeping his own promises, would he at least agree to have a discussion with the provincial leaders—Mr. Charest and Mr. Williams, for example—and abandon this confrontation, which is not working?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, in spite of opposition from the Liberal Party, this government corrected the fiscal imbalance by increasing equalization.

[*English*]

Equalization has increased dramatically under this government. In fact, equalization payments to Quebec alone have increased 70%. Under this budget, equalization payments and other federal transfers will continue to grow at a very healthy rate well into the future.

* * *

[*Translation*]

SECURITIES

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, this Conservative government is on probation. The Liberal Party will act responsibly and ensure that the goods are delivered. Partisan politics must not be played at the expense of citizens who are suffering and who are worried right now. The Conservatives have already unilaterally changed the equalization rules for Quebec and other provinces.

Will the Prime Minister make amends today and put aside his national securities commission project, which interferes in provincial jurisdictions and does nothing to fix the situation during this economic crisis?

Hon. Christian Paradis (Minister of Public Works and Government Services, CPC): Mr. Speaker, my colleague knows full well that the national securities commission is on a voluntary basis. It is as simple as that.

Hon. Denis Coderre (Bourassa, Lib.): Mr. Speaker, Quebec, Alberta and Manitoba are against the centralization of securities commissions. He is well aware that the term “voluntary” is a smoke screen.

If the Conservatives claim to respect federal-provincial jurisdictions, why not drop the bill and focus on the real, urgent needs of Canadians?

• (1425)

Hon. Christian Paradis (Minister of Public Works and Government Services, CPC): Mr. Speaker, we are facing an economic crisis that is affecting the whole world. This is an international movement and now the federal government is taking a leadership role. But the reality is that if the provinces do not want to be part of it, it is on a voluntary basis.

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THE BUDGET

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, Quebec is the big loser in this budget. The Prime Minister has totally ignored the needs of Quebec by turning his back on a unanimous motion by the National Assembly setting out the key demands of Quebec. Instead of helping Quebec, the Prime Minister has decided to deprive it of some major means of helping it cope with the crisis.

Will the Prime Minister admit that he preferred, for purely political reasons, to respond only to the demands of Ontario and the West and ignore those of Quebec?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I have heard from a number of groups in Quebec who support measures contained in this budget, for example the Quebec manufacturers and exporters association, the Federation of Canadian municipalities and its head, the mayor of Sherbrooke, the Union des municipalités du Québec, the Coalition pour le renouvellement des infrastructures du Québec, the mayor of Laval, the president of the Fédération des chambres de commerce du Québec, the Fédération québécoise des municipalités, the Montreal chamber of commerce, the Conférence des recteurs et des principaux des universités du Québec and the Conseil du patronat du Québec.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in this budget, the automotive sector, in large part concentrated in Ontario, will be receiving \$2.7 billion, while the Quebec manufacturing and forestry industries will receive but a few million. The same goes for the community adjustment fund: Alberta will get more per capita than Quebec, yet Quebec is the heaviest hit by the forestry crisis.

Will the Prime Minister admit that his budget does everything but meet the priorities of Quebec?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, this budget meets needs from one end of the country to the other. Many interest groups in Quebec recognize this and I encourage the leader of the Bloc to heed those Quebecers.

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, the unilateral and authoritarian decision to change the equalization formula will cost Quebec \$1 billion this year and up to \$2 billion next year for health and education. Quebec's minister of finance says that Quebec's loss will be Ontario's gain.

Why has the Minister of Finance, in his budget, reneged on the Prime Minister's commitment to Premier Charest made in a letter dated March 19, 2007?

[*English*]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, despite the comments from my opposition colleague, Quebec's equalization and transfers are at all-time highs and growing. That is a fact opposition members seem to neglect when they talk about how Quebec was left out. In fact, this government treats all provinces equally. When we are putting stimulus into this country, it is shared across this country. We are concerned about jobs and people's livelihoods across this country.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, the majority of programs announced do not take into account the real needs of the regions; for example, Alberta will receive more support than it needs but Quebec will be deprived of substantial funding to deal with the crisis.

Does that not prove once more that the federal government, regardless of its stripe, defends only the interests of the Canadian nation to the detriment of Quebec?

[*English*]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, Quebec's support through equalization and transfers has increased 37% during our government, as a matter of fact, \$8.3 billion in equalization, which is a 70% increase over three years ago. We are not leaving out any sector of this country.

• (1430)

[*Translation*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Conservative budget, supported by the Liberal Party, cuts the taxes of the biggest profitable businesses by \$60 for every dollar in tax cuts for unemployed workers.

In the past two months, 100,000 jobs have been lost in Canada. And yet, there is nothing in the budget to help more people who are not eligible for employment insurance. There is no help for the most vulnerable. Even worse, they are attacking women's rights and pay equity.

What will the Prime Minister say to all those people he has abandoned?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this budget increases employment insurance benefits and training funds for workers and the unemployed. With regard to pay

equity, we have adopted the approach used by Manitoba's NDP government.

[*English*]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the government is so out of touch that it brings forward a budget that does not protect the vulnerable, it does not protect the jobs of today, and it does not create the green job future that we need for the next century of employment. While the budget continues its attacks on women, it does not do anything to build social housing for families. It does not do anything about access to education or health care. The fact is it is a failure. After 100,000 jobs having been lost in the past two months, not one additional worker is going to receive help as a result of the budget.

How much further behind are people going to fall?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, if the leader of the NDP would read the budget, he would see that there is substantial help for workers, for the unemployed and for the vulnerable. There is lots of money for social housing, to help stimulate our construction economy and in fact for every one of the causes he has named.

The difficulty is the leader of the NDP chose to oppose the budget before he read it. He should read it and he should help us pass it.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the fact is the budget has done nothing to repair the litany of broken promises that we have had from the government.

It gets to the point of being tragic that the Prime Minister will make promises that he has no intention of keeping. The worst example of the cold and heartless nature of the Prime Minister's policies is when he breaks his word to those who are most vulnerable, like when he promised to increase the benefits to veterans' widows and then he broke that promise.

Can the Prime Minister tell us which of the promises that he made in yesterday's budget to people like widows who deserve some additional help he plans on breaking in the months to come?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker the veterans independence program amendments were made a couple of budgets ago. I do not know how the leader of the NDP managed to miss that, but I guess he voted against it.

It is quite interesting to hear the leader of the NDP say that he is now against tax reductions for Canadian businesses. He said that in the campaign, but I remember a month ago he was all prepared to support those.

[*Translation*]

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, the government is finally admitting that there will be a \$34 billion deficit next year. Of this amount, only \$18 billion will fund stimulus measures. The remainder, more than \$15 billion, is the result of the Conservatives' recklessness when the economy was strong.

Oral Questions

Will the government finally admit today that it has created Canada's first deficit in more than 10 years?

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, it would take an Ottawa Liberal to suggest that paying down debt is foolish. That is not what we believe on this side of the House. That is why we took early action and we paid down \$37 billion in debt. That is the reason Canada is in the good fiscal position that it is in going into this global economic recession. We are better able to fight it. We are better able to adapt to what Canadians need. We will come out of this even stronger.

● (1435)

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, it is as if the fact that the government's GST cut cost almost the same as this \$15 billion deficit is a pure coincidence. Is that what the member is trying to say?

The budget includes \$10 billion in revenue for the sale of government assets even though not one such asset has yet been sold. There is an accounting term for this. It is called cooking the books to hide an even bigger deficit.

Will the parliamentary secretary at least table a list of the assets that he plans to sell?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, if it is indeed called cooking the books, then I guess we got a cooking lesson from the Liberals because, as a matter of fact, when Petro-Canada was put on the books, it was a Liberal government that actually booked \$2 billion in asset sales in the budget prior to that.

I might suggest that when one knows a company is for sale and one knows the value of it, that is cooking the books.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, not only is it bad economics for the finance minister to sell assets in today's buyers' market, it is bad accounting to count revenues before a sale is made. Just a few weeks ago, the finance minister told a reporter that it was "wishful thinking" when the Ernie Eves government booked revenues before an asset sale occurred. Why is he now playing the same game here in Ottawa in padding Canada's books that he knew was the wrong thing to do when he was in Ontario's government?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I guess the hon. member did not hear the answer to the previous question. The Liberals obviously did not pay attention. They do not look back in history to see what is the Liberal tradition, and that is, booking what is likely to be an asset sale.

There is no time set on this. The Government of Canada owns a tremendous amount of assets. For the first time in 15 years we are actually looking at the value of those assets and looking at whether the Government of Canada should still own them. This is in line with our expenditure management review that is dealing with taxpayers' dollars.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, the parliamentary secretary is obviously not listening to the words of his own minister who said it is not just wishful thinking, but he told the reporter:

You can do that if you have process in place to sell the assets, but there was no process in place. So I knew that, within a fiscal year, they couldn't get it done.

Why is the Minister of Finance booking \$2 billion in revenue for the next fiscal year from these phoney asset sales when in fact the minister not only has no process in place, he does not even have a list of assets he wants to sell?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, we will take no lessons from the former Liberal government on dealing with fiscal stimulus, dealing with the economy.

We are actually hoping that the Liberals will support this budget. This is a budget that deals with a very serious economic crisis that has been brought on this country not by anything that is attributed to Canada.

We would encourage all members of this House to look very seriously at what we are dealing with right now, and that is our new plan to get Canada back on track.

* * *

[Translation]

EMPLOYMENT INSURANCE

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, this government just missed an opportunity to improve the employment insurance system by relaxing the eligibility criteria and eliminating the waiting period. Even with an extra five weeks of benefits, the fact is that 53% of people who lose their jobs do not have access to benefits. Freezing contributions is certainly not the way to improve the system.

Does the Minister of Finance realize that by refusing to improve employment insurance, he is penalizing thousands of unemployed workers and their regions as well, at a time of crisis?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, our government's priority is to help workers work and participate in the labour market. That is why our economic action plan includes much more money for training to help laid-off workers acquire new skills for the long term.

● (1440)

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, what is the minister doing about the 53% of unemployed workers? If this government had had even a modicum of vision, it would have used the budget to create a real income support program for workers aged 55 and over who cannot be retrained and who are also victims of mass layoffs.

With the tough times these workers are going through, why did the government deliberately choose to ignore them?

Oral Questions

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, we have faith in our older workers. That is why, two years ago, we introduced the targeted initiative for older workers, which has been very successful. In yesterday's economic action plan, we expanded that program to help workers so that they can re-enter the labour market.

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CULTURE

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the Conservative budget does not meet the needs of those in the cultural community, yet culture accounts for over 7% of the GDP. Even though artists have been able to demonstrate their past cost-effectiveness, programs to promote culture abroad have not been re-established, to the bitter disappointment of the arts community.

As Stanley Péan, the head of the Union des écrivaines et écrivains québécois, puts it, the message sent by last fall's artists' protests did not get through.

What explanation can the Minister of Canadian Heritage and Official Languages give for this budget containing nothing for the promotion of culture abroad?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, nothing in this budget? There is more than a quarter of a billion dollars for artists in this budget. Gilbert Rozon, CEO of the Just for Laughs Group, is quoted as saying, "By including the arts and culture in its policy for fighting the crisis, [He names the Prime Minister of Canada] recognizes the role and power of this sector for the national economy."

We are doing our duty, we are defending arts and culture in our country, and in our budget we are investing more money than in any other in the history of our country. We are "delivering the goods" for arts and culture.

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the minister does not even understand that he does not understand anything. This is what I said: there is nothing in this budget to promote culture abroad. There is nothing in it either to help artists, not one red cent in this budget that will go as direct help to creators, not one cent more for the Canada Council for the Arts.

How can anyone claim to be helping arts and culture while totally forgetting the artists of Quebec and of Canada?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, that is the line the Bloc Québécois is giving us, but here are the facts: the Canada Council for the Arts will receive \$181 million this year. Our government has increased its budget by 17%. As for the Bloc Québécois, they voted against these increases.

We will defend the artists of this country, the cultural communities, and the creators of our country. We are making investments such as have never been seen before in the history of our country, and we are proud of this. What is more, every time we increase these investments, the Bloc Québécois votes against them. That is disgraceful.

[English]

EQUALIZATION PAYMENTS

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Mr. Speaker, Newfoundland and Labrador has worked hard to put its economy on track. This so-called stimulus budget is more than unfair to Newfoundland and Labrador. Changes to equalization mean a \$1.5 billion loss, a substantial hit to the province. Will the Prime Minister end his heavy-handed and vindictive approach to federal-provincial relations and do it now?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, those comments are quite inaccurate. We should clarify that Newfoundland and Labrador will still be receiving a projected \$1.2 billion in offset payments between 2009-10 and 2011-12. This is \$1.2 billion on top of the \$2 billion upfront payment that Newfoundland and Labrador receives. As I said before, this government treats all provinces the same.

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FORESTRY INDUSTRY

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, AbitibiBowater recently decided to shut its doors in Grand Falls-Windsor, affecting over 1,000 people. In December, the province passed legislation to return the timber and water rights to its rightful owners: the people. Now, the company says no. It wants to continue to profit from the power generation while providing no benefit to the local communities.

If the Prime Minister ever wanted to stand up for Canadians, now is the time. Will he stand by the people of my riding and defend them against AbitibiBowater?

● (1445)

Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, there are discussions going on now with this difficulty between the company and the province of Newfoundland and Labrador. I have spoken with the CEO of the company and also the premier, and both sides have agreed to enter into discussions. There are negotiations that have to take place and that process is proceeding.

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STATUS OF WOMEN

Hon. Anita Neville (Winnipeg South Centre, Lib.): Mr. Speaker, listen to the Prime Minister's track record: eliminating the court challenges program, making unacceptable changes to the criteria of the Status of Women guidelines, ignoring a committee's recommendations to implement pay equity legislation. The Prime Minister has no right to play games with women's rights.

Why does the Conservative government continue to undermine equality rights for women and bargain away pay equity?

Oral Questions

Hon. Helena Guergis (Minister of State (Status of Women), CPC): Mr. Speaker, first, I think it is important to point out that right now at Status of Women and the women's program, we have the highest level of funding in the history of the country under the leadership of the Prime Minister. I am sure the hon. member recognizes that a 42% increase is substantial.

With respect to the budget, it is a long-term economic action plan that will benefit all Canadians and this includes women. I have consulted with women across the country and I can assure the member that many of their concerns are reflected in this economic action plan.

* * *

[*Translation*]

PAY EQUITY

Mrs. Lise Zarac (LaSalle—Émard, Lib.): Mr. Speaker, women working in businesses under federal jurisdiction represent more than 10% of the female workforce in Canada. Under the Conservatives, pay equity continues to move backwards instead of advancing. The Conservatives continue to violate the Charter of Rights and Freedoms.

Since pay equity is a right, why does this government insist on sabotaging women's right to pay equity?

[*English*]

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, we do believe that pay equity is a fundamental right. That is why we are introducing proactive pay equity legislation, as recommended by the Liberal task force in 2004. In fact, this was legislation introduced by the NDP in Manitoba in 1986 and introduced by the Liberals in Ontario in 1988, supported by the member for Toronto Centre.

* * *

INFRASTRUCTURE

Mr. Rodney Weston (Saint John, CPC): Mr. Speaker, yesterday the Minister of Finance delivered an economic action plan to stimulate economic growth and provide almost \$12 billion in additional funding to infrastructure projects in all regions of this country.

Would Canada's Minister of Transport, Infrastructure and Communities please tell the House what steps the government is taking to invest in our core infrastructure from coast to coast to coast?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, yesterday's budget not only honoured the commitment that the Prime Minister made to double our infrastructure spending this year, the government has gone even further to help restore some hope and opportunity for Canadians.

We will be investing more in our municipalities. We will work constructively with our provinces. We will work on projects that will make Canada's future even greener than it already is. We are working hard on recreational programs and infrastructure for our children. We are working hard to invest in colleges and universities.

Step by step this Prime Minister and this government is getting the job done.

[*Translation*]

NORTHERN ONTARIO COMMUNITIES

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP): Mr. Speaker, communities in northern Ontario have been hard hit by the decline in the mining and forestry industries. However, the budget presented yesterday does not provide significant help for the unemployed, workers and their communities.

The money in the economic stimulation plan hinges on equivalent investment from municipalities who do not have these funds. Consequently, they will not receive what they deserve.

How can this government abandon the people of northern Ontario?

• (1450)

[*English*]

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I can say very directly to the member opposite that on my desk I have literally thousands of requests for funding, where municipalities are stepping up to the plate and saying they have their third to join us in helping build Canada.

We are committed to working constructively with municipal partners and with the provinces to ensure that we can provide a much needed shot in the arm to the Canadian economy.

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HOUSING

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, this budget showed what happens when basic needs of Canada's most vulnerable are neglected. There are 1.4 million Canadians in desperate need of social housing. That is 25,000 in Halifax alone.

The government's budget makes no guarantee that a single unit of housing will actually be built. Building a deck is a nice thing, but what about Canada's homeless who cannot front the money for the tax credit?

Why is the government ignoring Canada's most vulnerable people?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, as members well know, our economic action plan has among its goals to stimulate the economy through the protection and creation of jobs, by creating new jobs through building roads and bridges and social housing, and by taking care of those who are hardest hit by this recession.

We are investing over \$2 billion in social housing, renovations, upgrades and new builds right across this country. I would suggest to the member, if she is truly concerned about social housing, that she support our initiatives.

Oral Questions

[Translation]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, in his budget, the Minister of Finance has shown us that he is still siding with big oil by funding the nuclear power needed to exploit the oil sands and carbon capture technology. By tossing nothing but crumbs to green energy options, he has failed to see sustainable development in terms of future job opportunities.

Is the Minister of Finance aware that his budget is a disappointing failure when it comes to the environment?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, we disagree with the member. The member should have read the budget before asking his question.

Our commitments to the environment are clearer than ever. For example, we have included funding for green infrastructure and investments in ecoenergy renovations, green projects and carbon capture and storage. We are addressing climate change, and we are also creating jobs. The Bloc should be congratulating us, not criticizing us.

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, not only have we read the budget, but we can also say that it seems tailor-made for oil companies. That is a fact.

Why is the government refusing to adopt 1990 as the base year and set up a carbon exchange, an approach that would not only kick-start sustainable development, but would also be good for Quebec's economy? That is a fact.

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, I will continue to explain the budget for the member.

For example, it includes funding for clean energy, investment in renovating and improving social housing, a commitment to cleaning up contaminated sites, and investment in VIA Rail. All of these important budget measures will help reduce greenhouse gases. They will also result in a healthier environment.

* * *

NUCLEAR ENERGY

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, instead of going public about the leak at Chalk River, AECL cited "technical challenges" and the Safety Commission was silenced. Once again, Canadians were kept in the dark. While thousands of litres of radioactive heavy water continue to flow into the Ottawa River, the minister cannot be pinned down.

Since the cause of the leak remains undetermined and it could happen again, what exactly do the Conservatives intend to do?

[English]

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, I am very concerned with the issues that have been raised in the media recently about the Chalk River facility. The health and safety of Canadians is our number one priority. That is why I have asked officials in the Department of Natural Resources and the Canadian Nuclear Safety Commission to get to the bottom of this.

● (1455)

Mr. David McGuinty (Ottawa South, Lib.): Mr. Speaker, when the Prime Minister fired Linda Keen, it sent shock waves of fear throughout the public service. Just as in that case, the lack of truth and transparency with respect to nuclear safety continues under his government.

If the minister is so certain that the events at Chalk River had no adverse affect on human health or the environment, will she immediately release the test results that would demonstrate to the House what levels of tritium have been and are being released into the Ottawa River as we speak?

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, as we have indicated, this government has great concern for the health and safety of Canadians. That is our number one priority. That is why we have asked the officials to get to the bottom of what happened on December 5, both through our Natural Resources Department and the Canadian Nuclear Safety Commission.

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EQUALIZATION PAYMENTS

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, if my hon. friend from St. John's South—Mount Pearl is so upset with this budget, I invite her to join us in opposing it.

The Premier of Newfoundland and Labrador said that yesterday's budget gave his province the shaft. Back door changes to the equalization formula will cost Newfoundland and Labrador \$1.5 billion when it needs it most. He said that it was the equivalent to Ontario losing \$22 billion or Quebec losing \$14 billion.

The Conservatives said they had some consultations, but they did not actually listen. Premier Williams asked for EI reform and quick infrastructure investments, not the meanspirited slap in the face that was delivered.

Will the finance minister withdraw his offensive changes to equalization?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, there has been no change to the offset agreement with Newfoundland and Labrador. In fact, our estimates show that \$1.6 billion of offsets will flow in the next three years. That will keep Newfoundland and Labrador on track with all of the other provinces. As I have said many times in the House, this Conservative government treats all provinces equally and with the same respect.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, the member is not telling the full and real story. His own officials in the Department of Finance last night confirmed to officials in Newfoundland and Labrador that their figures are correct. There is good reason that the people of my province did not believe the government. It cannot be trusted to keep its word. The Conservatives broke their promise on the Atlantic accord; now they are unilaterally changing transfer payments.

How could any member from Newfoundland and Labrador have any confidence in the government?

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, it was this Conservative government that actually recognized the inadequacies in equalization and fixed that. The Liberals sat on that issue for many years. We realized there was a problem; the Liberals denied it and said it did not exist. It is this government that has made all provinces equal.

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INTERNATIONAL RELATIONS

Mr. Ron Cannan (Kelowna—Lake Country, CPC): Mr. Speaker, could the Prime Minister please inform the House of recent developments regarding the planned visit of President Obama to Canada?

[Translation]

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I am delighted to inform the House that President Obama will be visiting Ottawa on Thursday, February 19.

[English]

This will be, as all Canadians know or are delighted to learn, his first foreign visit as President of the United States. This is a testament not just to the size of our trading relationship and the closeness of our alliance, but also to the strength of our friendship. I look forward to an important and productive working visit.

* * *

SRI LANKA

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

There are now as many as 300,000 civilians in Sri Lanka who find themselves caught in the desperate last days of fighting between the government and the Tamil Tigers. The United Nations Secretary-General and the European Union, as well as our fellow federation in Switzerland, have all called for specific action to be taken to protect the lives of these civilians, whose lives are quite desperately threatened by the events.

I wonder if the minister can tell us why Canada has not been more forthcoming in attempting to say something and do something together with our friends—

• (1500)

The Speaker: The hon. Minister of Foreign Affairs.

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, of course Canada does continue its efforts with like-minded countries to deliver strong messages to all parties involved in this conflict in order to protect civilians by allowing them safe and voluntary movement from combat zones and by ensuring unhindered access for humanitarian workers.

* * *

[Translation]

AGRICULTURE AND AGRI-FOOD

Mr. André Bellavance (Richmond—Arthabaska, BQ): Mr. Speaker, the Conservative government's budget is unacceptable for farmers, who say it completely misses the mark. The government is deliberately ignoring the needs clearly expressed during the election.

Oral Questions

The president of the Union des producteurs agricoles, Christian Lacasse, denounced it as a budget that shows a troubling insensitivity towards the agricultural community.

How dare the Minister of Agriculture and Agri-Food claim to implement the AgriFlex program, while excluding measures to ensure income security, which is what Quebec farmers are clearly asking for?

Hon. Jean-Pierre Blackburn (Minister of National Revenue and Minister of State (Agriculture), CPC): Mr. Speaker, I would remind my hon. colleague that under the growing forward program, we already had \$1.3 billion set aside to support the agricultural sector, and we have four business risk management programs: AgriStability, AgriInvest, AgriRecovery and AgriInsurance

Furthermore, yesterday, we added \$500 million to the budget to support our farmers under a new program called AgriFlex.

* * *

[English]

THE BUDGET

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, yesterday's budget is what happens when the government fails to invest in the green economy of tomorrow. Not only did the government do nothing to create green-collar jobs, it axed what little funding did exist.

U.S. President Obama gets it. There is more than \$55 billion to transform their economy. There is cash for solar, wind and other renewables. From this government there is money for nukes and dirty coal. For those of us who realize that *The Flintstones* was not a documentary, this budget was an unmitigated disaster.

Why will the government not wake up and start to invest in the real economy of tomorrow?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, my friend goes too far, even by the standards of this House.

Our commitment to the environment has never been clearer than it is in this budget. There is a new fund for green infrastructure, support for eco-energy retrofits, and a dedicated fund for new, clean technologies and energy projects, including carbon capture and storage.

These investments in green technologies of tomorrow will not only combat global warming, but they will also create the employment of tomorrow while cleaning up our air.

* * *

INFRASTRUCTURE

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Mr. Speaker, my question is for the Minister of Industry.

Routine Proceedings

Canada is a world leader in providing Internet access to its citizens. However, across Canada in rural communities like mine, gaps in access to broadband remain. We believe gaining access to broadband is critical for these communities, not only for the ability of rural Canadians to communicate but also for our local businesses to compete in the global economy.

Could the minister today please inform this House what Canada's economic action plan does to help promote broadband access to rural and remote communities?

Hon. Tony Clement (Minister of Industry, CPC): Mr. Speaker, I would like to thank the hon. member for the question and congratulate him on his boundless advocacy and his great work on this particular file. He really has been an excellent MP in working for his constituents.

As a representative of a large rural riding myself, I can tell the House that I know the necessity of expanding broadband access for jobs, hope and opportunity in the future. Budget 2009 is meeting that call. It is providing \$225 million over three years to extend broadband coverage to all unserved areas. This expansion is important for rural and remote communities, but most important, it is nation building. It is important for the future of Canada.

* * *

SRI LANKA

Hon. Bob Rae (Toronto Centre, Lib.): Mr. Speaker, I would like to come back to the minister again on the question of Sri Lanka.

If we were really serious as a country, surely there would be two things we would be doing. The first would be to call for the appointment of a UN special envoy to attach some international focus to what is taking place in Sri Lanka, and the second would be to increase our humanitarian aid.

Could the minister at least commit to doing those two things?

• (1505)

Hon. Lawrence Cannon (Minister of Foreign Affairs, CPC): Mr. Speaker, I am actually very pleased to come back to the member for Toronto Centre to reiterate to him that it is extremely important and that Canada is deeply concerned on this issue, of course.

Recent developments in this conflict underline the urgent need for a meaningful and durable political solution that is acceptable to all communities involved in the conflict.

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATIONS

The Speaker: I have the honour to present, in both official languages, the report of a parliamentary delegation concerning its visit to Australia from August 22 to 31, 2008.

**CANADA-EFTA FREE TRADE AGREEMENT
IMPLEMENTATION ACT**

Hon. Stockwell Day (Minister of International Trade, CPC) moved for leave to introduce Bill C-2, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland, Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation.

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

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ARCTIC WATERS POLLUTION PREVENTION ACT

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC) moved for leave to introduce Bill C-3, An Act to amend the Arctic Waters Pollution Prevention Act.

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

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CANADA NOT-FOR-PROFIT CORPORATIONS ACT

Hon. Diane Ablonczy (Minister of State (Small Business and Tourism), CPC) moved for leave to introduce Bill C-4, An Act respecting not-for-profit corporations and certain other corporations.

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

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INDIAN OIL AND GAS ACT

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC) moved for leave to introduce Bill C-5, An Act to amend the Indian Oil and Gas Act.

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

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[*Translation*]

PETITIONS

INTERPROVINCIAL BRIDGE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I have the honour of presenting a petition signed by citizens living on both sides of the river in the National Capital Region. This petition concerns the construction of an interprovincial bridge and the flow of commercial traffic through the heart of the national capital.

The petitioners are asking the National Capital Commission to proceed with an in-depth study of a bridge connecting the Canotek industrial park and the Gatineau airport, which was option no. 7 in the first phase of the environmental study of interprovincial crossings.

S. O. 52

REQUEST FOR EMERGENCY DEBATE

OTTAWA TRANSIT STRIKE

• (1510)

[English]

DARFUR

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Mr. Speaker, I am presenting a petition today on behalf of the citizens of Darfur. As many people know, the genocide that has taken place in Darfur has meant that approximately 300,000 people have been killed and two million more have been displaced. The Sudanese government has delayed the deployment of 26,000 peacekeeping troops.

There are a number of requests in this petition, but essentially the petitioners are asking for a peacekeeping force in this region to help deal with this very serious situation.

EMPLOYMENT INSURANCE

Mr. Mark Warawa (Langley, CPC): Mr. Speaker, I rise to present a petition from residents of my riding of Langley,

The petitioners say that there are number of life-threatening conditions that do not qualify for disability programs and that the current medical EI benefits of 15 weeks do not adequately address the problem.

The petitioners call upon the House of Commons to enact legislation to provide additional medical EI benefits to at least, if not better than, maternity benefits.

IMPAIRED DRIVING OFFENCES

Mr. Rob Moore (Fundy Royal, CPC): Mr. Speaker, I have the privilege of presenting a petition predominantly from students of Hampton High School in my riding that recognizes the severe impact of impaired driving on our communities.

The petitioners call upon Parliament to implement tougher sentences for impaired-driving-related offences.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

[English]

MOTIONS FOR PAPERS

Mr. Pierre Lemieux (Parliamentary Secretary to the Minister of Agriculture, CPC): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

The Speaker: The Chair has received notice of a request for an emergency debate from the hon. member for Ottawa—Vanier.

[Translation]

I will hear him now.

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I am asking that you consider allowing us to hold an emergency debate in this House—today or tomorrow, at the latest—to discuss the strike in the national capital region, which began on December 10.

This is the 50th day of a strike that has paralyzed our community and had a negative impact on hundreds of thousands of our citizens. From the beginning of this strike, all members of this House representing an affected riding, no matter their political affiliation, have received hundreds of comments from individuals in truly deplorable situations: students forced to consider quitting school, seniors practically shut in because they no longer have access to public transportation and cannot go anywhere, and small businesses in our community that are suffering greatly.

We believe that it is very important for the government to be fully aware of this rather urgent situation.

[English]

The role of the government is twofold. The government has jurisdiction in this instance because this is an interprovincial service that is being offered by OC Transpo. Because it crosses into Quebec, the jurisdiction falls onto the federal government. The government has intervened in this in the sense of forcing a vote but it is important for people to know what the intentions of the government are, if any, in pursuing this matter. People need to know whether there is to be any hope from those where the jurisdiction lies.

The second important reason, which is the one I raised yesterday in the House and which the President of the Treasury Board did not even answer but referred it to a colleague, is that the government is also the employer of tens of thousands of people who are finding it extremely difficult in these circumstances. If we have a day like today, where we have a snowfall, it is almost a permanent gridlock out there and it is affecting everybody.

I believe we should address this and consider options available to the government and consider options that may be brought forward to put pressure on both parties, not taking sides here but taking the side of the population. It would be an important occasion for members of this House, who are concerned and who represent over a million people affected by this, to have the opportunity of putting to the government and for the government to respond, to figure a way out of this situation and figure a way forward for the betterment of conditions for our fellow citizens.

• (1515)

The Speaker: The Chair wishes to thank the hon. member for Ottawa—Vanier for raising this matter. I have listened carefully to the arguments that he has advanced in support of his argument and, of course, read his letter concerning the matter.

The Budget

In my view the matter does warrant an urgent debate but I note that the weather today is particularly difficult and makes it awkward for the staff at the House to be here, to get home and so on. Therefore, I will defer the debate on this until tomorrow evening, which I believe will be satisfactory in light of the circumstances. I hope that is okay with the hon. member.

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, in light of the favourable ruling that you have just made with respect to the emergency debate about transit, I would invite my fellow House leaders to consider consenting to the following motion. I move:

That during this debate, no quorum calls, dilatory motions or requests for unanimous consent shall be entertained by the Speaker.

The Speaker: Is the member for Wascana asking that I put this motion now or is he going to discuss this with the House leaders and then come back? It was not clear from his submission that he wanted me to put the matter to the House at this point.

Perhaps the government House leader will clarify it for us all.

Hon. Jay Hill (Leader of the Government in the House of Commons, CPC): Mr. Speaker, of course we are all waiting with great anticipation for the speeches that are about to come, and I do not want to delay that any further, but I have no problem agreeing with that particular motion. That has become the norm for how we deal with these urgent debates.

The Speaker: Is the motion, as put forward by the hon. member for Wascana, satisfactory to all hon. members?

Some hon. members: Agreed.

(Motion agreed to)

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from January 27 consideration of the motion that the House approve in general the budgetary policy of the government.

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, as I rise in this House, I would like to begin by thanking the hon. members for Kings—Hants and Markham—Unionville for their exemplary work during the meetings we held nationwide. They travelled with me across the country and listened to what Canadians had to say about their hopes for a better future. I would like to congratulate them, along with the other members of the Liberal caucus, for having given the Prime Minister and the Minister of Finance the constructive ideas that appear in their budget.

I would also like to thank the leaders of the NDP and the Bloc Québécois for their thoughtful, constructive contributions over the past few months. Unlike the government, these two leaders have understood for a long time now that the recession is serious and far-reaching. They have worked hard on behalf of the people of Canada.

[*English*]

Canada's ship of state has entered some very rough and turbulent water and the captain's steering through this storm has been erratic. He misjudged, misled and misguided. At first he failed to act and then he acted irresponsibly. Now, finally he recognizes that we are in real danger. Finally, he is taking some measures to head for safety, but it has been a long time coming.

For three years, the Conservatives have chosen reckless spending and irresponsible tax policy over prudence and fiscal discipline. They drove Canada toward a deficit long before this recession began and they harmed the federal Government of Canada's capacity to act in the face of crisis.

For that failure, the failure to plan and act as a government, we hold them responsible. We hold them responsible for telling us that there would be no recession when we were already entering one. We hold them responsible for their disastrous fall economic statement with its fanciful forecasts of surplus and its arrogant and divisive partisanship. We hold them responsible for proroguing Parliament at a time when Canadians wanted this House to work.

The government has already made Canadians wait too long for help.

● (1520)

[*Translation*]

Because of the Prime Minister's actions, the recession will be longer, deeper and more painful than necessary. He spent like crazy during the good years. He said that the economy was fine, but it was not. He said that there would be no recession, but there is one. He made announcements, over and over again, about infrastructure measures, but we are still waiting for new jobs. He made announcements, over and over again, about training and skills development programs, but he did not keep those promises either.

This budget is a hodge-podge of last-minute measures. What is even more disturbing is the news of an \$85 billion deficit. The Minister of Finance has predicted where this country will be in six years. He has talked about long-term plans and forecasts, but the government cannot even see as far ahead as the next six weeks. Now he is talking about the next six years.

[*English*]

We have a government, which cannot manage spending or programs, daring to tell us today how it will manage the economy six years from now. The reality is simple and stark. It is now the end of January. To say that action is overdue would be an understatement.

Yesterday's budget is a flawed document. However, the impact of a united opposition has been clear. The budget includes measures that we called for during the last election and which the Prime Minister said that he would never do: affordable housing; skills development; expansion of the working income tax benefit and the child tax benefit; investment in regional development agencies throughout the country; measures to make credit available to business; and investments in colleges and universities, the incubators of the jobs of tomorrow. These measures stand to offer actual hope for actual Canadians and they are only in the budget because the opposition parties did their job.

The Budget

At a time when Canadians raise questions about whether our political system could work, the political system did work, and the Liberal Party, in particular, remained resolved to hold the Conservative government to account.

[*Translation*]

The budget falls short on many counts. Why does the budget open the door for attacks on pay equity for women? Why does it not propose the improvements to employment insurance that Canadians who have lost their jobs were waiting for? Why does it break their promise to all provinces from only two years ago on equalization? Why does it attach strings to infrastructure dollars that may delay projects and delay jobs? Where is the Conservative plan to guarantee Canada's productivity, competitiveness and prosperity in the future? Where is their plan for a green and sustainable economy? Where is their plan to get us out of deficit? Why are they still counting on the sale of government assets to fill the coffers, without saying which assets and at what price?

● (1525)

[*English*]

This is not a government, to say the least, that has proven good at planning. It has also not proven to be very good at keeping its promises. Yet the Prime Minister has never held himself to account the way Canadians expect him to. If he is asking the House for its confidence, then he will have to earn it. He will have to work to keep it as long as he sits in that chair.

That is why we will move to amend the budget to include new measures to ensure the government is held accountable for its promises.

We will require regular reports to Parliament on the budget's implementation and its costs, one in March, one in June and one in December. Let it be clear that each of these reports will be an opportunity to withdraw our confidence should the government fail Canadians.

We will vigilantly monitor the budget's effects on our economy and on every region of the country. If the Prime Minister fails, we will be ready to defeat him.

Let me be very clear that our support for this budget is conditional upon adopting the Liberal amendment. Let me say it another way. Without this amendment, we will not support the budget and the government will fall.

Canadians do not want another election and they are tired of political games. They have waited too long for action on the economy for us to fail them now because of partisan interests. The Liberal Party is not giving the Prime Minister of Canada a green light. We are giving him a flashing yellow light: proceed with extreme caution.

The Prime Minister does not have a free pass. He can no longer use "take it or leave it, my way or the highway" as his way of dealing with Parliament.

[*Translation*]

He is under the watchful eye of this Parliament. We will be demanding much more and much better from the government to better serve Canadians.

[*English*]

It has finally put forward a plan for our consideration. Now the question is whether the money starts flowing. We take nothing for granted from the Prime Minister and the government. We will be watching them like hawks.

I repeat this for the Prime Minister. Proceed with the very greatest caution. With that, I move:

That the motion be amended by changing the period to a comma and adding the following:

"on condition that the government table reports in Parliament no later than five sitting days before the last allotted day in each of the supply periods ending March 26, June 23 and December 10:

(a) to provide on-going economic and fiscal updates;

(b) to detail the actual implementation of the budget;

(c) to itemize the actual effects of the budget with respect to:

the protection of the most vulnerable in Canadian society,

the minimizing of existing job losses,

the creation of the employment opportunities of tomorrow,

the provision of economic stimulus in a manner fair to all regions of Canada, and

the assurance that the government's deficit is not a burden to future generations or a detriment to economic recovery and;

(d) to provide details on any adjustments or new measures as may be required to benefit the Canadian economy".

● (1530)

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I want to congratulate the member opposite for his appointment as Leader of the Opposition.

I appreciate his comments regarding the good things in the economic plan put forward by us, but I have a specific question about the dates in his amendment.

I am a Conservative member of the finance committee. One of the dates he has indicated for the last allotted day in each supply period is March 26.

Could I assume then that, based upon March 26 coming relatively quickly, we will get the same support at committee from Liberal committee members to ensure the budget bill gets through committee quickly and back to the House, so we can meet the dates he looks for in the amendment?

Mr. Michael Ignatieff: Mr. Speaker, we have not seen the measure he proposes, so it is premature to ask me to answer. However, we would want to be assured that the ministers appear before the committee and give us the evidence, the facts and the figures that we need in order to make an appropriate judgment.

The Budget

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, we received some rather disappointing news today from the Liberal Party of Canada, which has turned its back on the plan to form a coalition. That plan hinged primarily—for Quebec, for example—on a unanimous motion by the Quebec National Assembly. Now the Liberal Party of Canada has decided to flout that motion. It decided to put the interests of Ontario ahead of the interests of Quebec.

Can the hon. Leader of the Opposition explain how he can justify such a position?

Mr. Michael Ignatieff: Mr. Speaker, I thank the hon. member for his question. The only thing I can say is that, as a Liberal, as a duly elected member of Parliament, I have never thought it was fair to put the interests of Ontario ahead of those of Quebec.

On the contrary, I have always thought that politicians in this House must balance the interests of all the provinces and the federation, and treat them equally. That is precisely what we have all been criticizing this government for.

• (1535)

[English]

Ms. Irene Mathysen (London—Fanshawe, NDP): Mr. Speaker, today the Leader of the Opposition has called the Prime Minister misguided and castigated his fiscal policy, his November economic update and a lack of genuine financial support for the vulnerable, the jobs of the present and the jobs of tomorrow.

In his speech he said that yesterday's budget was a "flawed document". He berated the government for failing to keep its promises, the policy on pay equity and the lack of child care. As late as January 20 of this year, the Leader of the Opposition told the *Ottawa Citizen* that the attack on women and pay equity was "mean-spirited, pernicious, ideological and unprincipled". He said, "It is shameful that our country is moving backwards instead of forward. It is time for all Canadians to stand up and say together: 'we have had enough'."

With the Liberal-Conservative alliance, the Liberals refuse to change and have given up hope. First the Liberals hid behind the curtains, then they walked out. Now they have given up and for the 45th time plan to support the Conservatives.

Is this the Liberal definition of leadership and courage? Is it how the Leader of the Opposition stands up to a mean-spirited and misguided government?

Mr. Michael Ignatieff: Mr. Speaker, I thank the hon. member for her always temperate and ecumenical comments.

She refers to a Liberal-Conservative alliance. No such alliance exists. We have made it perfectly clear, in the amendment put forward to the House, that we will hold the government to account. We regard this as a flawed document. We will insist that it delivers the money and the commitments that it has made to Canadians in respect of some of the social values her party and mine happen to share in common, but no alliance exists with the government.

Let me make it very clear. The amendment we have put forward today holds the government on a very tight leash. If it fails to live up to its commitments, it will be defeated.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I want to congratulate the hon. member on his elegant and eloquent speech. He has done a great deal to elevate the debate in the House.

The amendment effectively proposes a series of confidence accountability motions, which reflect his deep unease with the government, and his unease with the government is justified.

The Conservative government inherited a \$13 billion surplus and turned it into a \$64 billion deficit. The Conservative government squandered \$12 billion in ill-advised tax cuts. Sixty days ago the Conservative government said that it had a surplus, but now it has a \$34 billion deficit.

The Conservative Party campaigned against taxation of income trusts, but now it taxes income trusts.

The Conservative government reversed itself on interest deductibility. It pitched the fiscal framework out the window.

The Conservative government has proposed a phoney asset sale in its current budget.

In light of the foregoing litany of incompetence, does the hon. member truly believe that the so-called five year plan to get us back to fiscal balance is a realistic plan?

Mr. Michael Ignatieff: Mr. Speaker, my hon. colleague and friend from Scarborough—Guildwood well knows my respect for his economic expertise in his public service.

He asked an excellent question. That is precisely why we have put the accountability measures in the amendment this afternoon.

We are deeply skeptical, as he is, that the deficit projections the government has presented in the House to Canadians are based on sound economic argument. We are very skeptical of the government's estimates of economic growth in 2009 and of its revenue estimates in 2009-10 and 2011-12.

We do not want to sit here and listen to the government tell Canadians fables. That is why we have proposed the accountability measures today, which we hope will pass in the House of Commons.

• (1540)

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I take this opportunity to extend my appreciation for the hon. member's support of the budget and the decision to agree with commentators from around the world who have lifted Canada up as an example to the rest of the world in terms of how we conduct ourselves in the difficult global times that we face.

The London *Telegraph* wrote an article during the recent G8 summit that lamented the lack of leadership among G8 leaders. The paper singled out our Prime Minister saying that if the rest of the world had comported itself with similar modesty and prudence we might not be in this mess.

The Budget

The World Economic Forum ranked our banking system as the number one most secure banking system in the world.

The OECD and IMF have indicated that Canada will be the strongest country coming out of this global economic downturn.

Our government has been recognized as the only government in the G8 over the past three years that has run a surplus. Other governments have all run deficits in each of the last three years.

I thank the Liberal Party for its support of our budget. We look forward to working with those members in the future.

Mr. Michael Ignatieff: Mr. Speaker, I thank the hon. member particularly because he has the honour to represent the city of Edmonton, a city that I regard with the deepest affection.

He did, however, make some reference to the record of a government and I think he was slightly confused. The record of which he was speaking was the record of the government preceding his own.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, confronted with a serious global economic crisis, the people are right to be concerned and they have turned to Ottawa, hoping that the federal government would do the responsible thing and help them.

Quebec's government and National Assembly also expected the federal government to help rather than make matters worse. This crisis requires extraordinary government expenditures and could have been an opportunity to build a future with a combined focus on social justice, the environment and the economy. With this Conservative budget, the government has dashed all hopes. It is hostile to Quebec, does not provide people with appropriate and sufficient help and lacks vision for the future. In fact, one need only scratch the surface to catch a potent whiff of the Conservative government's partisanship and ideology in this budget.

I want to tell all members of this House this: a vote for this budget is a vote against Quebec, against social justice, against an economy for the future. There is no way the Bloc Québécois would ever vote for this budget, which goes against everything we believe in.

This budget is totally unacceptable to Quebec and to people who, in times of economic crisis, are entitled to expect appropriate and sufficient help from the federal government. In anticipation of the budget, Quebec made its needs clear, and its National Assembly even unanimously passed a motion. The Bloc Québécois did the responsible thing, putting forward as early as last November a realistic and detailed plan backed up by figures, a plan that reflected the broad consensus in Quebec on a number of issues.

The Prime Minister was aware of all that. This means that he knowingly ignored Quebec's demands. Instead of helping Quebec, the federal government decided to deprive it of significant assistance to weather the crisis. The Conservative leader has chosen only to meet the demands from Ontario in particular. For example, his government is providing more than \$4 billion in stimulus that will primarily benefit Ontario. The automotive industry, which is largely concentrated in Ontario, will receive \$2.7 billion. Southern Ontario will receive \$1 billion. But Quebec's forestry and manufacturing sectors will only get a few million.

The government is offering \$350 million to Atomic Energy of Canada, to the nuclear sector, once again Ontario-based. The Prime Minister again comes along with his community adjustment fund, a program strongly criticized in Quebec, which offers more money per capita to Alberta than to Quebec. This plan, based on last year's model, offers far more per job lost in Alberta than in Quebec, even though the manufacturing and forestry crisis has hit hardest in Quebec. While thousands of jobs have been lost in Quebec, a goodly number of the workers will still not have access to the employment insurance program, and older workers are still marginalized.

We would have at least expected the Conservative government to respect its past commitments. But no, it goes even further by depriving Quebec of financial means. Capping equalization will mean a considerable loss to Quebec. We are talking funds for health, education, family policy. This decision will therefore have unfortunate consequences for the entire population of Quebec. Then the Conservative government adds on a gift to Ontario, which will mean an additional \$250,000 loss to Quebec as far as equalization is concerned, by conferring special status on Hydro One.

By unilaterally modifying equalization and by increasing the fiscal imbalance, the Conservative government is breaking its past promises, just as it did by reiterating its desire to trample over Quebec's areas of jurisdiction in connection with securities regulation, loans to municipalities and funding to colleges and universities, and other infrastructure expenditures, thereby going over the head of the Government of Quebec.

Then we have the refusal to eliminate cuts to culture, a very important sector of the Quebec economy, and the refusal to eliminate the cuts inflicted on economic development organizations.

• (1545)

This budget runs totally counter to the spirit and the letter of the Kyoto protocol, and thus also to the economic interests of Quebec and of the environment. This budget sounds the death knell as far as the Conservative government's so-called federalism of openness is concerned.

I call upon hon. members in the other opposition parties to think things through well before voting in favour of this budget, or letting it get through one way or another, because letting it get through is tantamount to abandoning Quebec, and there will be a political price to pay for such an attitude. The Bloc Québécois, faithful as it is to the interests of Quebec, will vote against this budget without a moment's hesitation.

This budget again bears the mark of a conservative ideology that is bankrupt everywhere in the world. It is hard to imagine what would have happened with a majority Conservative government in a position to impose untrammelled its last-century ideology.

The Budget

But we must not be fooled by the gloss on this budget. The tax cuts, which are presented as targeted measures to help the most vulnerable and the middle class, actually have the reverse effect. The most vulnerable people in society do not pay tax. The tax cuts are not targeted. For example, a family with two children and an income of \$150,000 will get more than a family earning \$40,000. These tax cuts help neither people who lose their jobs nor companies that do not turn a profit. By the Conservatives' own admission, in opting for corporate tax cuts, they chose the measure that would stimulate the economy the least. That is what I call putting ideology before the economy.

The government had the means to help the most vulnerable members of society by funding construction of new social housing. The Canada Mortgage and Housing Corporation has an \$8 billion surplus. The government should be using that money to help people. Instead, everyone but aboriginal people, seniors and the disabled is being left high and dry.

For seniors who have been unjustly deprived of the guaranteed income supplement, the budget offers no justice and no remedy. Yet if anyone can be considered vulnerable, it is seniors who are living in poverty and are entitled to the guaranteed income supplement. Aside from social housing, there is nothing for these poor people in the budget.

We all know that more than half of women who lose their jobs do not have access to employment insurance, even though they pay into the plan. They will still not have access to employment insurance, and this is a serious injustice.

Meanwhile, the rich and large corporations that shelter their money in tax havens can continue to do so with impunity. The big oil companies that have been hosing us for so long will continue to enjoy generous tax breaks. The Conservative government sweetened the pot by providing hundreds of millions of dollars for carbon capture projects that will benefit no one but the oil companies. The major banks, which have been hugely propped up by the Conservative government, have no real obligations in return. And in return for the billions of dollars they will receive, the big three auto manufacturers do not even have to promise not to outsource to Asia or elsewhere.

The Harper government's budget will therefore create even greater social inequalities.

• (1550)

Mr. Royal Galipeau: Mr. Speaker, I want to raise a point of order.

I am sorry to have to interrupt the House, but the hon. leader of the Bloc Québécois just called the Prime Minister by his last name. He has more experience here than I and should know he is not allowed to do that.

[*English*]

The Acting Speaker (Mr. Barry Devolin): I thank the member for his assistance. The leader of the Bloc Québécois, I am sure, will not do that again.

[*Translation*]

Mr. Gilles Duceppe: I humbly accept this most relevant of remarks.

The government's budget will therefore further exacerbate social inequalities. Finally, the Conservatives are continuing their attack on the rights of women by making pay equity negotiable. That is ideology over rights. No member of this House who does not share the outdated, bankrupt Conservative ideology can possibly vote for this budget, or allow it to pass, without betraying his or her convictions. Voting for this budget, or allowing it to pass, means voting against social justice. The Bloc Québécois, loyal to its convictions, will vote against this budget without a moment's hesitation.

One of the great challenges facing us in the 21st century, as well as one of the great opportunities, is how to harmonize the economy with the environment. Quebeckers know very well that it is in our vital strategic interest to reduce our dependence on oil, first, in order to help fight climate change and second, because it is in our economic interest. Now that the U.S. administration has announced that it intends to join the countries fighting against climate change, Canada is isolated, the only country in the Western world still in the same camp as Saudi Arabia. In this regard, as in so many others, the Conservative budget is going against the flow, trying to take us backwards instead helping us move ahead into the future. Not only are the Conservatives giving the oil companies hundreds of millions of dollars but they are also ending the wind energy program.

The automobile industry will receive \$2.7 billion in federal government assistance without any fuel consumption requirements being imposed. Here, too, Canada is falling behind and is starting to become the laughingstock of the Western world. Voting for this budget or allowing it to pass means voting against the economy of the future: the green economy.

The Bloc Québécois, ever faithful to the interests and values of Quebec, will vote against this budget without a second's hesitation.

I will soon be introducing an amendment to the amendment. It basically repeats the motion passed unanimously in the National Assembly, along with a few other elements. When the time comes to vote on it, all the members from Quebec will face a very clear choice: a choice for or against Quebec. All Quebec members who vote against this amendment to the amendment and in favour of the Conservative budget will be choosing Canada over Quebec.

This budget sounds the ultimate death-knell of the Conservative Party's so-called open federalism toward Quebec. If the Liberals vote in favour of this budget, as they apparently will, they will show that the Liberal Party of Canada has returned to its tradition of turning its back on Quebec at the first opportunity.

The Budget

The new leader of the Liberal Party of Canada, who declared on March 30, 2006, that Quebec “has the right to be master of its own house”, now seems to have decided to act exactly like his predecessors and to set aside his recent and fleeting convictions. I urge Quebecers to take note of what happens in the next few hours in Ottawa. I invite them to think about the fact that no matter which party is in power in Ottawa, Liberal or Conservative, the interests and values of Canada always take precedence over the interests and values of Quebec. As it was in the past, is now and ever will be. The only party that puts Quebec first in this house is the Bloc Québécois.

It is not a coincidence that all elected Bloc members truly believe that the only valid future for Quebec is full political freedom—Quebec sovereignty.

• (1555)

I move, seconded by the member for Saint-Maurice—Champlain, that the amendment be amended by deleting all the words after the words “on condition that the Government” and substituting the following:

maintain the right of women to settle pay equity issues in court, and abandon its preference for tax cuts for the well off, instead redistributing this revenue to the neediest members of our society, particularly by responding to the unanimous demands of the National Assembly of Quebec as formulated in the motion adopted on January 15, 2009, to assist workers, communities and businesses hit by the economic slowdown, support at-risk sectors, particularly manufacturing and forestry, in the same way as the automobile industry, and enhance the employment insurance program by making the eligibility criteria more flexible, and on condition that it maintain the equalization program in its current form and relinquish the idea of setting up a pan-Canadian securities commission.

The Speaker: The hon. member for Brossard—La Prairie has the floor for questions and comments on the amendment to the amendment.

• (1600)

Mrs. Alexandra Mendes (Brossard—La Prairie, Lib.): Mr. Speaker, the member for Laurier—Sainte-Marie has just stated very eloquently the flaws in the budget presented to the House by the Minister of Finance yesterday. We are convinced that a Liberal government would have done much more and much better to address the current crisis. We are also convinced that a Liberal government would not have crippled, as irresponsibly as the Conservative government did, our ability to react.

The leader of the Bloc Québécois is true to the mission he has always stated as his, namely to defend Quebec's interests and those interests alone. I must ask him though how it would be responsible on our part, as members of a Parliament that is barely three months old, to reject all the measures contained in the stimulus package proposed in this budget.

Under the watchful eye of this House, many of these measures will allow Canadians, including those who live in Quebec, to help kickstart the economy, something that the Premier of Quebec, Mr. Charest, has himself recognized as a fact. By voting in favour of this budget, we are first and foremost fulfilling our role as official opposition in a responsible manner.

Mr. Gilles Duceppe: Mr. Speaker, I heard my Liberal colleagues asking a lot of questions during question period and even my colleague noting in her initial remarks that I pointed out significant flaws in this budget. I believe she shares my opinion in this regard. She is indicating that she does.

She had other proposals. We are proposing an amendment to the amendment, based on the unanimous motion of the Quebec National Assembly, represented by Premier Charest himself, which contends that reductions in income tax favour the well off, as my colleague's party leader has said, and which opposes pay equity being negotiable. She is in agreement on all these points. I do not see why she cannot support our amendment to the amendment, keep what she considers good in the budget and improve it with the good things from the coalition, since that party indicated its willingness to do so immediately.

The opportunity is there, but they are not going to take it. They prefer to support those across the way, whom they are criticizing. They must show some consistency, sometime. I encourage her to act accordingly and take a stand.

Mr. Yvon Godin (Acadie—Bathurst, NDP): Mr. Speaker, I was elected in 1997 and that was because the people of Acadie—Bathurst had decided to send an MP who was prepared to go to bat for employment insurance. In all my time in this House since then—nearly 12 years—our consultations have revealed that workers wanted an end to the two week waiting period and improved eligibility for employment insurance.

I would like to congratulate the member for Saint-Laurent—Cartierville. He saw that, with a coalition, these things could be made to happen. Today, it is a real shame to see that this vision has been lost under the new leader of the Liberal Party. And yet, he signed an agreement, as did the Liberal Party. He was among the 76 MPs who sent a letter to the Governor General to advise her of the lack of confidence in this government. The Liberal Party, an opposition party, said that it had lost all confidence in the Conservative government.

Given yesterday's budget, does the leader of the Bloc Québécois think that we can have greater confidence in the Conservative Party today and that the Liberals have decided to do the right thing? Or could the coalition have taken their place?

The public must not be made to think that it takes two or three months to table a budget. One could have been tabled in the House in less than a week. Either the House has confidence in the Conservative Party or it does not. In the latter case, we should vote against this bill. We would thus give a chance to women who have been denied the right to take their fight to the courts.

I call on the leader of the PQ to respond to this.

• (1605)

Mr. Gilles Duceppe: Mr. Speaker, I am pleased the member has asked me such a clear, precise question.

I would like to use an example. He talked about employment insurance. Eliminating the two week waiting period would have cost some \$1.2 billion. The Conservatives preferred to maintain tax havens, which cost \$1.5 billion a year. This shows where they stand. They allow people to take money out of the country, which does not help our domestic economy, even though, by eliminating the two week waiting period, they would be allowing people who have lost their jobs to put money back into our economy.

The Budget

People who lose their jobs do not use their employment insurance cheques to buy shares or invest in tax havens; rather, they use them to feed their families, pay the mortgage, pay their loans, buy clothes and so on.

This is the decision facing all hon. members here today. Members who make this decision will be able to look their constituents in the eye and tell them that they defended the interests of Quebeckers, of all Canadians for that matter, rather than the interests of large corporations, especially the oil and gas companies.

[*English*]

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I appreciate the comments from the leader of the Bloc. However, I want to take this opportunity to make sure that members of the House understand the actualities in terms of equalization payments which were discussed during his presentation.

The budget, on pages 189, 190 and 191, talks about equalization payments. The total in transfer payments is \$49.1 billion, of which \$22.6 billion is the health transfer which has a 6% increase built in and will continue in this budget, and \$10.6 billion is the social transfer which has a 3% increase and is continued in this budget. This leaves about \$14 billion for equalization payments. This is based on a formula that was agreed to by all the provinces. In that formula there are increases in equalization, including for Quebec.

The table on page 190 of the budget indicates how Quebec has done with respect to equalization. In 2006-07 it was \$5.5 billion. It went to \$7.1 billion the next year. In 2008-09 it is \$8 billion and in 2009-10 it is \$8.3 billion. Increases are happening in equalization. That formula is in place. It is happening in this budget. Quebec is getting its fair share. In fact, the next province closest in equalization payments gets \$2 billion, not \$8.3 billion.

With all the information that he has been provided, all the commentary from the Quebec business leaders, Quebec chambers of commerce, Quebec arts groups and Quebec mayors, why is the Bloc leader not supporting the budget? It seems that the people of Quebec support the budget.

[*Translation*]

Mr. Gilles Duceppe: Mr. Speaker, what surprises me about what he is saying is that, of all the groups he mentioned, some of them did support the budget, but they all denounced the cap on equalization in the same press release. He should have read to the end of the press release, instead of stopping after the first three lines. There is unanimous agreement about equalization and about the securities commissions.

Furthermore, what he forgot to say is that the Prime Minister wrote to the Premier of Quebec in 2007, telling him that the formula could henceforth be used to calculate the sums that would be paid in equalization. Yet by capping it, Quebec loses \$1 billion this year and up to \$2 billion in 2010. What this Prime Minister did was break his promise and go back on his word.

And while he claims that all the groups he mentioned and everyone else in Quebec support them, we just have to look at the results of the last election. Quebeckers decided that a Prime Minister who spent his time following in Mr. Bush's footsteps was not someone who represented their values and interests. I have often

denounced the fact that this Prime Minister imitated Mr. Bush. I have one piece of advice for him: he should now follow in Mr. Bush's footsteps.

• (1610)

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, I would like to share my time with the hon. member for Outremont, the NDP finance critic.

[*English*]

Yesterday we saw what happens when a government cobbles together a budget which it does not really believe in. It is a budget that will not protect the most vulnerable, will not protect the jobs of today, and will not create the new jobs of tomorrow.

[*Translation*]

The Conservative budget, unfortunately supported by the Liberal Party, gives \$60 in tax breaks to large business for every dollar to people out of work. During the past two months, more than 100,000 people have lost their jobs, yet there is nothing in this budget to help more laid-off workers access employment insurance benefits.

[*English*]

Two-thirds of women who need employment insurance cannot get it even though they pay into it, and this budget refuses to change that. Workers losing their jobs today will not get any EI faster when they desperately need it to put food on the table. What good is an extra five weeks for the majority of workers who cannot even get the first week of employment insurance?

What does this budget mean for the most vulnerable? It means that employment insurance will be just as hard to get as before. It means that housing will be just as scarce. It means that people are facing a future that is just as bleak. Families on the edge, losing their jobs, homes and savings, can take nothing from this budget.

This budget will not safeguard jobs. Forestry, mining and agriculture are not going to get the support they need through these tough times. Equalization payments have been capped, forcing some provinces into impossible choices in these difficult times. Few jobs will be saved. This budget will not create any jobs either, especially those green jobs for the future economy of the 21st century.

[*Translation*]

The infrastructure program hinges on amounts that must be matched by provincial, territorial or municipal governments, but these government have no money. They will not be able to follow through. The plan will not work and jobs will not be created.

The Budget

[English]

Infrastructure funds will come far too slow to make a difference soon enough. That means too few shovels breaking the ground and too few jobs for Canadians at the time that they are losing their employment. And because there is no made in Canada buying policy, we cannot even be sure that any spending on materials will help our own forestry and manufacturing sectors.

Tax cuts will not work the way fast-flowing infrastructure funding would have worked, but that is where this government has decided to spend big.

According to the government's own figures, for every dollar in corporate tax cuts, we get a mere 20¢ improvement in GDP. For personal tax cuts, for every dollar spent, we get only a 90¢ improvement in the GDP. However, for infrastructure spending that actually flows, we get a \$1.50 improvement to the GDP for every dollar spent and with real support for low income earners we also get a \$1.50 improvement in the GDP. But that has not stopped this government from putting the lion's share of the spending in this budget into the least effective tools to improve our economy, namely, those tax cuts.

This budget contains no serious measures to seek a greener economic future. Less than 1% of the stimulus spending could be described in any way as green spending. This is at a time when the United States is seeking a green recovery to create a more sustainable economy. The Prime Minister has shown no such vision. Instead of investing in renewable energy, this budget gives millions to nuclear energy and unproven technologies like carbon capture and storage. This is just a handout to the big polluters. Anything green in this budget is purely cosmetic. We know this government will cut environmental regulations before it funds green alternatives; we have seen that in the past.

• (1615)

[Translation]

This budget attacks pay equity for women. It does not construct affordable housing for the numerous low-income families in our cities who are now homeless. It does not create child care spaces for children of working parents.

[English]

To those who need better child benefits most, there is virtually no help at all.

It makes post-secondary education no more accessible for our youngest and our brightest at a time when they need that hope.

The budget is not good for Canada. It is not good for Canadian families. Even those few proposals in this budget that are not flawed have no guarantee of being implemented because the Prime Minister has broken his commitment to Canadians before. He said he opposed budget leaks and then he ordered them to happen.

[Translation]

He promised not to appoint unelected senators, but yesterday, 18 new senators joined the Senate—a new record for patronage appointments. He had legislation passed for fixed election dates, but he called an early election, going against his own legislation.

[English]

Now, the Prime Minister has delivered a budget containing measures that he has spent his entire lifetime opposing, but he expects Canadians to have confidence in him now, to trust that he will actually get the job done. The record of this Prime Minister tells us that he will not. This is not only a question of the content of the budget, it is a question of confidence in the government. We do not have confidence that the Prime Minister will keep his commitments.

[Translation]

Despite all this, the Conservatives will stay in power because the new leader of the Liberal Party has decided to keep them there. It is an important decision that will have serious consequences for millions of people. It is the same poor policy as that of his predecessor, the member for Saint-Laurent—Cartier. When the Liberals vote for the budget, with or without the minimal amendments, it will be the 45th time they have voted to keep the Conservatives in power.

[English]

So, because a budget vote is a confidence vote, on behalf of the tens of thousands who are going to be thrown out of work but will not get any help from this government or this budget, on behalf of the people who have waited too long for child care or health care, on behalf of the seniors who have lived too long in poverty, and on behalf of future generations who are counting on us to take strong, urgent and bold action on the environment, we will vote no confidence in this government.

Our former leader and respected member of this House, Tommy Douglas, once said, "Courage my friends, 'tis not too late to build a better world".

I am disappointed that others in this House are not willing to show that same courage and that same conviction at this important moment in time. Meaningless amendments will not change the fundamental failures of this budget or repair the trust that this government has broken with the Canadian people.

[Translation]

We cannot support such a budget or such a government.

[English]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the leader of the NDP has a reputation of opining on budgets and other major issues without even seeing them. In this particular case, the budget has incorporated significant progress in certain areas, which in fact were the areas that opposition parties had advocated. We did not get everything, that is true, but some progress has been made. The call now is for the government to show that it can be accountable to deliver, but if it does not, it is on notice that Liberals will not support it.

The Budget

Will the NDP be supporting the official opposition amendment to hold the government accountable so that Canadians will get the help they need?

• (1620)

Hon. Jack Layton: Mr. Speaker, let me disagree with the hon. member in suggesting that significant progress has been made in this budget. I must say I even heard his own leader, in a press conference, enumerate the failures of this budget. He gave quite a long list but then came to the conclusion that he was going to prop up the government.

We in the NDP had expected something different. We know that there was a positive choice available but, unfortunately, his party has chosen for the 45th occasion to support the current government. Can we have confidence that measures needed for our economy today will be adopted by the government, propped up by the member's party? No, we do not have that confidence. Are we willing to vote confidence in this motion by supporting an amendment to the budget that is being proposed? No, we are not.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, the leader of the NDP talks about trust and confidence in the government and the motion in front of the House. I recall that during the election he talked about working together and making this place work. How does he let us know as members of Parliament that we have confidence and trust in him if he is one who will claim weeks before a budget is even presented that he will not support it without reading it? Where is the confidence on the part of members of Parliament and Canadians for a leader of a political party who has made up his mind that he and his party are taking a position on a policy piece that they have not even seen, read or have any idea of what was going to be in it?

We have asked for specifics about what NDP members would like to see in the budget. I can say as a member of the finance committee that there were no specifics from them. I would ask the member, where is our confidence in him and his ability to lead?

Hon. Jack Layton: Mr. Speaker, I met with the Prime Minister myself and presented to him a series of initiatives and ideas that the NDP felt we could work together on. Sadly, his reaction to me was, "I guess we are just going to have to agree to disagree". In other words, the Prime Minister had no intent, really, of working together with my party and that became apparent in the economic statement for all to see.

We have also lost confidence in the government's ability to really tackle the issues that are facing families as they sit down to try to pay the bills at their kitchen tables. Perhaps the most egregious example, if I may, is the fact that there was no understanding. When people get thrown out of work and are given a bit of severance pay, the first thing the government says is that they cannot even apply for help for two weeks.

Then it says that people have to spend all of their severance pay, impoverish themselves and grovel, that the money they were supposed to be able to put aside for tough times must be spent before they can ask for insurance from a fund that they paid into for years and that built up over \$50 million of surplus, and that was stolen by the previous government. That theft was maintained and enshrined in law by the member's party so that money will not be given back.

That money belongs to the working people and they need it now to put food on the table. That is why the NDP has no confidence in the government.

• (1625)

[*Translation*]

Mr. Thomas Mulcair (Outremont, NDP): Mr. Speaker, to understand what is going on here today, we have to look back to the events following the October 14 general election. For the third time in a row, something unique in the annals of Canada's political history, the people of Canada elected a minority government. A government, in other words, that did not enjoy the support of a majority of the House and that had to work with the other parties. During the election campaign, in fact, the question came up frequently, because the situation, the polls, were indicating that this would indeed be the case.

Imagine then our surprise at the current Prime Minister's statement during the election campaign that he had learned his lesson from the last time and would, in the future, be able to build and work with other parties, as that was what Canadians wanted. He reiterated this once elected, assuring all voters that he would change his tune and his style—divisive, fractious and vindictive—which we had seen for two and a half years. That style is the hallmark of the Conservative government. He had a chance to prove his mettle. Did he have what it takes to be a head of state or only to carry out a vendetta?

We saw him in November. The Conservatives arrived in the House and rather than attack what was already the worst economic crisis in 75 years, they attacked the right of women to equal pay for work of equal value. They attacked welfare rights by gratuitously, without either provocation or justification, taking away the public service's right to strike, even though 104,000 public servants had signed contracts only days previously. And, finally, they attacked the system of funding for political parties, which, I would remind you, was established in the wake of the Liberal sponsorship scandal.

The question, then, is whether we can place our confidence in people who behave like this, even when they are in a minority position. Let us see exactly what was said. On November 27, 2008, the present Minister of Finance said the following in this House:

[*English*]

The days and years and decades of those chronic deficits are behind us and no matter what 2009 brings, they must never return.

[*Translation*]

That was November 27, 2008. If that was not enough, on December 2, 2008, the same finance minister said:

[*English*]

Mr. Speaker, what is being proposed by the separatist coalition is a \$30 billion spending program. That would put our country into a structural deficit for a long time. As Don Drummond of the TD Bank said, this would be a disaster that would launch us into a structural deficit.

[*Translation*]

The question is still there. Should we believe them?

The Budget

I had a chance to meet with him about two weeks ago—like our party leader who said he had met with the Prime Minister to discuss these matters—and I quoted his own words back to him, namely that governments were incapable of deciding which sectors in our economy had needs that should be met and which did not. He calls it choosing the winners and losers. That is his way of denigrating the fact that government can have a role to play in the economy.

I read him the quote that appeared in the *Globe and Mail* and asked how he could expect us to believe he had undergone some kind of conversion, that he had fallen off his horse on the road to Damascus and henceforth saw things quite differently. He replied, looking me straight in the eye, that he still thought just what he had been quoted as saying.

The real question is this. When we see this new alliance between the new leader of the so-called Liberal Party of Canada and the neo-Conservative Party, how can we still find people in Canada naïve enough to believe that the Conservatives will do what they say in their budget?

It is all too obvious. They just want to get beyond the six-month time limit. All the constitutional experts who have written on the subject recently—35 experts all across Canada—agree that once six months have passed, the government will be able to call an election when it wants, but before that six month period is up, the opposition will have to be given a chance to govern. An opportunity has arisen: the progressive forces in the House—which represent 63% of the electorate and have a clear majority of seats—put their very real differences aside, shook hands, and said they would form a government in the interests of the country as a whole. They would put their differences aside and focus on what unites them. That is what was proposed.

Once again, we have looked at the proposals in the budget. Funds will be spent on infrastructure, among other things. What we have seen, though, is that not one dollar in five was actually spent on the programs that have already been proposed. It is still a sham. In addition, this time they are spending money that is not even theirs because they say in their figures that in order to reach 1.9% of GDP, they are including money that they assume the provinces and cities will spend, even though they do not have it. It is totally absurd. The 1.9% of GDP was put in the budget to look a bit like what the G-20 and OECD had suggested, that is to say, a country like Canada should spend 2% of GDP if it wants to have a real chance of re-igniting its economy.

The budget we saw yesterday is a fiction, and again we will see the Liberals complicit in it over the next few months. This will make 45 times that they have voted in favour of the Conservatives and expressed confidence in them. We are entering the fourth year in which the neo-Conservatives, the most right-wing government in Canadian history, have been kept in power by a party with the word Liberal in its name.

I can, however, assure the members of one thing: the people who voted Liberal last time, thinking—wrongly, as it turns out—that the party would actually stand up to the current Prime Minister, were all mistaken. Now these people have realized that they were conned. We, the members of the NDP, are calling on all those who wish to build a better country. We are urging them to join us, to work with us

if they want to see a fairer, more egalitarian society when it comes to women's rights.

The Liberals gave us a stunning display of self-righteousness this afternoon during question period. One after the other, they rose in the House. One member asked why the government wanted to take away women's right to equal pay for work of equal value; another rose to ask why the government wanted to take \$1 billion in transfer payments away from Quebec. And so it went during the whole question period.

The only thing they forgot to mention was the fact that they will be voting in favour of all of the measures they just criticized. That is bald-faced hypocrisy. They should be ashamed.

● (1630)

This is where Conservative arrogance meets Liberal mediocrity. What a splendid pair. They are about to make a mistake of historic proportions. It took a lot of courage to sign the coalition documents, which are still available online. People can see that everyone had to put a little water in their wine.

We are strongly opposed to the war in Afghanistan. That is and has always been our position. But that would not have stopped us from working as a team. However, I want to say something very important. The part of the budget that supports this attack on women is shameful. The fact that the Liberals are supporting it is unspeakable.

How can anyone, in the year 2009, support a proposal that deprives women of the right to go to court to ensure that their rights are recognized and respected? Rights are non-negotiable. The problem is that third-rate deals were being negotiated at the expense of women. That is why we need a law and recognition of such things as women's right to equal pay for work of equal value. That is what pay equity means. It does not mean that two people doing the same job should not receive the same pay. That has been taken care of, but pay equity is being set aside with the Liberals' loathsome support.

● (1635)

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, I am pleased to announce that our government will support the amendment put forward by the Liberals. We welcome the support of the opposition so that the budget can be implemented as quickly as possible. As always, we welcome the opportunity to report on our progress.

Will the hon. member also support it?

Mr. Thomas Mulcair: It is absolutely incredible to hear such a thing, Mr. Speaker. They are scratching each other's backs and would like to know if we will interfere. No, we are not going to interfere with their love-in. I would point out, however, that the person who just asked this question is the same person who slashed cultural programs, defended the cuts in major cultural programs in Quebec and Canada, thinks it is a damn good idea to re-enact the Battle of the Plains of Abraham and is very pleased with herself. We, however, do not want to hear about it. She can have it.

The Budget

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Mr. Speaker, I rise on a point of order. I would appreciate it if you could look into the use by the member for Outremont of language that sounded unparliamentary to me.

[English]

The Acting Speaker (Mr. Barry Devolin): A point of order has been raised about the language used by the member for Outremont. I was listening to the English translation and it was unparliamentary in the translation. If the member would like to withdraw that, we could deal with this expeditiously.

Mr. Thomas Mulcair: I withdraw that, Mr. Speaker.

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I clearly recognized the frustration in the hon. member's comments as he was starting to get a little out of hand. I am glad he was taken to task for that.

We in the House, especially those of us in the opposition, are putting Canada and all Canadians first. If we look at the turmoil that is going on in our country and the challenges facing us, the last thing we need is to find ourselves in an election. The member has the option of a coalition.

I appreciate the interest in trying to ensure Canada works. We have made a decision to support the government conditionally. Given the conditions that we have put on the government and the fact that we are putting the government on probation, does the member not think that it would be a reasonable thing for his party to support as well?

Mr. Thomas Mulcair: What breathtaking arrogance, Mr. Speaker. The Liberals have put the Conservatives on probation. What a joke. They are all trembling in their seats.

That is from a former head of Status of Women. She is supporting the Conservatives in their dastardly plan to withdraw from women the right to go to court and demand the right to have equal pay for work of equal value. What a shame.

[Translation]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I listened carefully to the speeches given by the leader of the NDP and by the deputy leader and member for Outremont, and I have to say that they are almost perfectly in line with what the NDP has always advocated with respect to comprehensive social justice programs. I should note, respectfully, that they are repeating in these speeches what was set out in the platform of the coalition that we supported. I would also remind this House and the hon. member that a large part of Quebec premier's agenda for the last first ministers meeting can also be found in a unanimous motion by Quebec's National Assembly.

Now that he is familiar with the Bloc's amendment to the amendment, I would like the hon. member to tell me, on behalf of his party, whether they intend to support the Bloc's amendment to the amendment, given that it is almost a carbon copy of what he himself said earlier about the rights that should be recovered—

• (1640)

[English]

The Acting Speaker (Mr. Barry Devolin): Order, please. A short answer from the member for Outremont, please.

[Translation]

Mr. Thomas Mulcair: Mr. Speaker, since the amendment to the amendment talks first about maintaining the right of women to settle pay equity issues in court and goes on to talk about things the NDP has traditionally supported, we will have no problem supporting with enthusiasm the amendment to the amendment moved by the Bloc.

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I very much appreciate the opportunity to rise today to discuss budget 2009, Canada's economic action plan. With your permission, Mr. Speaker, it is also a great pleasure to share my time with the hon. minister, the member for the beautiful riding of Louis-Saint-Laurent.

It has been said that a crisis presents a moment of opportunity as well as great danger. The global economy is in the midst of a crisis, a crisis of capital, a crisis of credit, and most troubling, a crisis of confidence. While the epicentre of this financial crisis is the United States, its impacts have been global, on countries large and small, from China to Iceland. No country has been spared. However, our American neighbours have suffered the brunt. The human cost has been staggering: 2.6 million Americans lost their jobs last year, the worst job losses seen since the Second World War.

Canada, a major player in the global marketplace, has not been immune. In the last two months of 2008, we saw 100,000 jobs disappear. Behind the numbers are 100,000 worried faces, 100,000 difficult talks around the kitchen table, talks that will likely and unfortunately become more frequent in 2009.

In all this it is important to maintain perspective, difficult as it may be at times. The fundamentals of Canada's economy have remained strong leading up to the crisis of today. We as a people and as a government have made the prudent decisions to ensure our strength.

As Don Drummond, chief economist with the TD Bank, bluntly remarked the other day, "We have to hasten to remind ourselves that we are not the country that tanked the rest of the world. The rest of the world tanked us".

Indeed, anticipating a faltering American and global economy, our Conservative government took preemptive and aggressive action to cushion the blow in October 2007 in our economic statement. Reading verbatim from page 7 of that document, available online for all to see:

—[T]he world economy is experiencing turbulence and increased uncertainty.

Given this global economic uncertainty, now is the time to act. Our strong fiscal position provides Canada with an opportunity that few other countries have—to make broad-based tax reductions that will strengthen our economy, stimulate investment and create more and better jobs.

The economic statement would go on to detail a package of \$60 billion in tax cuts, consumption, personal and business, that would help protect Canadians through 2008.

The Budget

As the IMF World Economic Outlook declared in April 2008:

A package of tax cuts has provided a timely fiscal stimulus.... [The Canadian] government's structural policy agenda should help increase competitiveness and productivity growth to underpin longer-term prospects.

Supporting that assertion is the plain fact that despite the significant job losses we have suffered in the last two months of the year, Canada still managed to create over 98,000 net new jobs for 2008 alone. As comforting a statistic as that may be, we must be under no illusion; all it is is a statistic, a historical fact.

The crisis has grown. The danger to Canada, its economy, the jobs it sustains and the families those jobs provide for has grown at a pace much more rapidly than anyone was predicting.

Enter budget 2009, Canada's economic action plan, a plan to stabilize and protect our economy for the short term while growing it in the long term. It is a plan informed by unprecedented exhaustive consultations with Canadians to a degree that has never been seen previously in our history. Never before has a government attempted to make the budget process as open, public and inclusive as it was for budget 2009.

• (1645)

I am proud to say that at the request of the Minister of Finance, I was personally engaged in this process. We invited the ideas of provincial and territorial governments, economists, academics, labour and non-governmental organizations. We sought out the input from everyday Canadians through online consultations and town halls. We formed an economic advisory council of private sector business leaders, some of Canada's pre-eminent business minds and most successful business leaders, who unselfishly gave of their time out of a desire to help their country in a time of tremendous need; a desire I believe that is shared by most members in the House.

We wrote to all members of Parliament, regardless of party affiliation, and asked them to provide a written submission reflecting the priorities of their communities, from Saint John to Montreal, from Thornhill to Saskatoon, to Victoria. We listened, we heard and now, after careful consideration, we act.

Canada's economic plan is so named for a reason. It reflects consensus, not ideology. It promotes the interests of people, not the bureaucrats of government. It is Canada's plan, our ambitions for today and the future ahead, ambitions both short and long term that will represent substantial costs that will cause Canada to fall into a deficit position. We do not enter this without concern. That is why we have put in place a plan to return to surplus. That is why prior to the current turmoil our Conservative government paid down \$37 billion in debt. That is why we are laying out a five year plan to move back into surplus as the economy recovers.

Many Canadians recalling the legacies of deficits past will have reservations and concerns, and I understand that. However, before making a judgment, they should also read budget 2009, as taxpayers and as good citizens. They can read it online at www.budget.gc.ca, or call their local MP's office to obtain a copy.

Combined with the 2007 economic statement stimulus measures the economic action plan in budget 2009 is estimated to boost real GDP by 2.5% and create or maintain about 265,000 jobs by the end

of 2010. This budget will be voted on soon by the learned members of the House. It is an absolute duty for all members to read the document and make an informed decision in the best interests of the Canadian people, not the narrow lens of partisanship.

I firmly believe that in doing that, this House will endorse budget 2009 and turn the crisis of today into the opportunity of tomorrow. We as a country have faced challenges before and we will face them again, but we are a strong people, resilient, tough and determined. We work together when times get tough. We grow stronger and more confident. We will endure the difficult times today with the promise of a brighter tomorrow.

This is a shared responsibility of all members of this place.

• (1650)

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I did what the member requested. I read the document. The problem is it tells a much different story as compared to the government propaganda.

The fact of the matter is, and we have been saying this for some time and our leader said it today, that when the government came to power it had a huge surplus. It spent the cupboard bare. Through the reduction in the GST, which took away \$12 billion a year, it destroyed the ability of the federal government to have the reserves to be able to do something real in terms of a stimulus package. I want to get the facts straight. The Conservatives are trying to leave the impression that this year there is about a \$30 billion stimulus package. That is what economists have called for. The government is budgeting \$34 billion and expecting that will leave the impression there is a \$30 billion stimulus. In the budget document on page 217 it says there already is a deficit of \$15.7 billion. Therefore, there is really only \$18 billion worth of stimulus in the budget.

Is the minister and the government trying to hide the fact that they have already put this country in a \$16 billion deficit hole before we even start to do stimulus?

Mr. Ted Menzies: Mr. Speaker, I thank my hon. colleague from Malpeque, Prince Edward Island, the home of my favourite oysters, by the way.

The hon. member talked about spending and the surplus that the Liberals claim they had. In fact, we have heard something about a contingency fund many times. A contingency fund is only as good as the legislation that creates it. I would remind hon. members that there was never a contingency fund created by the former Liberal government, nor by any government, I believe.

We all know that it is ludicrous to suggest to Canadians that paying down \$37 billion of Canadian government debt is wasting money. That is what has put this country in the enviable position it sits in today, the leading fiscal balance in the G7. That is what the leadership of this government has done.

[Translation]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, my question to the parliamentary secretary is quite simple.

The Budget

Yesterday, the Quebec finance minister, Monique Jérôme-Forget, who is a Liberal, a federalist, stated in her comments on the budget that Quebec will lose hundreds of millions of dollars because of changes made by the federal government to the equalization formula submitted to the provinces in 2007. Today, the Premier of Quebec, Jean Charest, a Liberal and a federalist, made the same comment. I would like the parliamentary secretary to tell me whether or not the federal government, the Conservative government, has changed the equalization formula without consulting the provinces.

[*English*]

Mr. Ted Menzies: Mr. Speaker, the simple answer to that is no. Consultations have taken place with all provincial partners. I spoke about that when answering questions during question period.

This government treats all provinces equally. That is why we brought back a balanced approach to equalization, so no provinces could claim that they were winners and no provinces would feel that they were losers.

I can give the member the facts. Quebec's share of equalization has increased 37% through this government. They are pretty hollow suggestions coming from the hon. member saying that it has been decreased. This government recognized that some provinces were falling behind. It recognized that and balanced that.

• (1655)

[*Translation*]

Hon. Josée Verner (Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, CPC): Mr. Speaker, I would like to begin by thanking my colleague, the Parliamentary Secretary to the Minister of Finance.

There are several reasons why I wanted to take part in this debate on our government's economic action plan. Naturally, I wanted to take part as Minister of Intergovernmental Affairs, but also as minister responsible for the Quebec City region. I would also like to congratulate my colleague, the Minister of Finance, on the outstanding work he has done over the past three months.

I am proud to have the opportunity to talk about our plan, which is made up of five important components for Canadians: home purchase and renovation, better roads, better bridges and new jobs; not to mention tax cuts, job protection and help for Canadians looking for new jobs, and assistance for research and development in leading-edge sectors and for extending high-speed Internet across the country.

A number of aspects of this debate bear directly on the effectiveness and the strengthening of our federation.

More than three years ago, our government adopted the open federalism approach, which respects provincial jurisdictions and recognizes the strengths of all the regions and their contributions to our country. Our economic action plan is in keeping with that openness to the provinces and territories.

Open federalism is based on the idea that our federation is not static, but is constantly evolving in order to respond to the changes and the realities of the 21st century.

This new approach enables the federation to take on the challenges facing the provinces and territories. Open federalism pays off for all Canadians. Managing intergovernmental relations therefore plays a critical role in keeping our federation running smoothly.

[*English*]

I do not need to reiterate the magnitude of the economic and financial challenges we are facing. The Minister of Finance covered that very effectively in his speech, as did other hon. members.

It is in that spirit of consultation and cooperation that our government plans to take on the greatest challenge we face today: strengthening our domestic economy. To that end, we have put in place a process to promote united action. The approach highlights the key role that intergovernmental relations play within our system of government.

We have held extensive consultations with individual Canadians, the provinces, the territories, municipalities large and small, aboriginal communities and many other stakeholders.

[*Translation*]

On December 17, the Minister of Finance met with his provincial and territorial counterparts in Saskatoon. Then, on January 16, I had the pleasure, along with the Prime Minister, of again meeting with the provincial premiers and the territorial leaders to find some common ground on how to stimulate the Canadian economy.

During that meeting, the political leaders of this country agreed to work to implement a number of these measures, their primary objectives being to strengthen the national economy through new, significant investments, ensure continued access to credit, and protect pension plans in Canada. In order to help workers and the unemployed, they agreed to amend two chapters of the agreement on internal trade, which will facilitate full labour mobility.

They agreed to take immediate action on infrastructure and to accelerate project financing for the 2009 and 2010 construction seasons.

Our economic action plan offers a concrete follow-up to the measures agreed upon by the premiers and the territorial leaders on January 16 to make significant new investment through budgets in order to support the economy in the short term as well as prepare it for long-term challenges.

With the budget presented by the Minister of Finance, our government has committed firmly to this path and we hope that our partners will do the same given the results of the meeting with the premiers and the territorial leaders.

• (1700)

[*English*]

Indeed, I am pleased that we already have the support of a number of provinces, including British Columbia. Premier Campbell has described our action plan as positive, laying the foundation for a more productive and competitive future and creating and maintaining jobs in Canada.

The Budget

Canada's economic action plan will stimulate the economy by pursuing the following goals: investing immediately in infrastructure; cutting taxes and freezing employment insurance contributions; stimulating housing construction; improving access to financing and strengthening Canada's financial system; introducing measures to help Canadians; and supporting businesses and communities.

[*Translation*]

As a minister from Quebec, I would like to draw attention to certain advantages to my province in this economic action plan.

In 2009-10, Quebec still benefits from sizeable federal transfers which will continue to grow in the long term.

There is a provision for a total of \$17.6 billion for 2009-10, that is \$700 million more than last year and an increase of close to \$5.2 billion since 2005-06. This increasing long-term support helps to ensure that Quebec has the necessary resources to provide essential public services and contributes to the achievement of shared national goals, particularly in the areas of health care, post-secondary education and other important components of Canada's social safety net.

This overall assistance includes such things as \$8.3 billion through equalization, or an increase of \$3.5 billion; \$5.7 billion through the Canada health transfer, or \$196 million more than last year; \$2.5 billion through the Canada social transfer, which is over \$373 million more for Quebec.

Moreover, Quebec will receive \$116 million for worker training as part of a commitment to provide \$500 million in new funding to the provinces and territories each year starting with 2008-09.

Since it has been in place, this government has provided Quebec individuals and businesses with \$40.1 billion in tax breaks.

During this fiscal year, and the next five, the additional tax cuts set out in our economic action plan will provide individuals and businesses in the province with tax breaks of \$4.2 billion, for example in the form of income tax reductions, help for families with children, an age credit and a temporary home renovation tax credit.

Quebec will profit from \$1.9 billion in improved employment insurance benefits, and \$4.5 billion to maintain the low level of EI contributions in 2009-10 country-wide.

The province will receive its share of the \$4.5 billion over two years earmarked for infrastructure projects, particularly improvements to the road system in the greater Quebec City area, and to various water and sewage systems.

Other initiatives are specific to the province. The Coast Guard will receive 98 new vessels and will see renovations done on another 40. This initiative will benefit Quebec City, the site of the regional Coast Guard centre for the province, as well as Davie shipyards, where some of the work can be carried out.

Another two million dollars will make it possible to draw up plans for the future of the Quebec City Armoury.

Some \$12 million will be invested in 2011-12 and 2012-13 in infrastructure in order to boost tourism by promoting international cruises on the St. Lawrence and Saguenay Rivers.

[*English*]

Beyond the important measures it contains, I believe the real significance of this budget is greater than the economic benefits it will generate.

That brings me back to the idea I expressed at the beginning of my speech. This economic action plan is a tangible example of our willingness to work together with our partners in the federation to take on the daunting challenges of these turbulent times.

• (1705)

[*Translation*]

It is based on our government's close consultations with all sectors and in all regions of the country. It reflects our determination to face adversity with confidence and optimism without losing sight of the difficult task that we are already tackling and will see to the end.

[*English*]

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Madam Speaker, as the Liberal leader said today, we will support this budget on a conditional basis. I have some concerns about the budget and specifically about how the budget allegedly assists people who need help the most.

I want to ask the minister three specific questions, the first two about EI. First, I received an email today from a constituent, which is titled, "47 days and still waiting to see if I'm even approved for EI". People across Canada who are losing their jobs are being told that the processing time for EI, which was averaging 28 days, has gone to 40 days. Is it acceptable in this period of economic uncertainty that people need to wait that long?

Second, we heard that the government will freeze premium rates. Last year a crown corporation for EI was created, the major purpose of which was to set premium rates. Is this an indication that the government has abandoned that new crown corporation?

Third, on the national child tax benefit, does the minister think it is fair that somebody making \$40,000 a year receives \$436 but a family making \$20,000 gets nothing?

[*Translation*]

Hon. Josée Verner: Madam Speaker, I thank my colleague for his question.

With regard to employment insurance, our government's commitment is very clear. Our objective is to help workers who are in trouble, who will bear the brunt of the economic crisis. Significant amounts have been invested to increase eligibility for employment insurance and also to provide training to those who wish to choose another career path. These are significant amounts and they were already announced in yesterday's action plan.

I am confident that my colleague, the Minister of Human Resources and Skills Development, will ensure that workers hit hard by this crisis will obtain help from our government.

The Budget

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Madam Speaker, my question to the Minister of Intergovernmental Affairs is quite simple. Yesterday, Quebec's finance minister, Monique Jérôme-Forget, and today, the Premier of Quebec, Jean Charest—both known as staunch federalists—stated that the federal government unilaterally changed the equalization formula from what was submitted to the provinces in 2007, which will deprive Quebec of hundreds of millions of dollars.

Earlier, I asked the Parliamentary Secretary to the Minister of Finance if it was true that changes to the equalization formula had been made unilaterally, without any consultation. His answer was no, but the Premier of Quebec and his finance minister say that it is indeed the case.

Who is telling the truth? That is my question to the Minister of Intergovernmental Affairs.

Hon. Josée Verner: Madam Speaker, I thank my hon. colleague for his question. With respect to how equalization is calculated, I would just like to say that the Minister of Finance met in Saskatoon with all his provincial colleagues before the holidays. He apprised them of the changes to be made to the equalization formula.

That having been said, Quebec's Minister of Finance described the approach at the time as a reasonable one. In a nutshell, Quebec will continue to receive larger equalization payments.

[English]

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Madam Speaker, I ask this question of the minister in my capacity as the NDP critic for forestry. Two years ago, \$200 million was promised by the government to fight the pine beetle. To this date the money has not materialized. Now in the budget there is no mention at all of dedicated spending to deal with the pine beetle problem. This is just one example of critical spending that is not in the budget. I would like to ask the minister when this promised money will be released?

• (1710)

[Translation]

Hon. Josée Verner: Madam Speaker, I thank my hon. colleague for his question.

As is known, the government honours its commitments. The government announced a package to deal with this particular issue, and it will deliver on it.

[English]

Hon. John McCallum (Markham—Unionville, Lib.): Madam Speaker, I am very pleased to speak to the budget. Our leader and members of our party have spoken and we have come to the conclusion that the budget contains some positive and some negative elements.

On the positive side, we see substantial funding for training, for example, and for social housing. On the negative side, we see substantial deficiencies in certain areas, and I will speak about those shortly. Examples of that are the flow of money to infrastructure and deficiencies in employment insurance.

However, at the end of the day, after much consultation, our leader came to the conclusion that the Liberal Party would support the

budget, subject to a very important amendment. We would hold the government to account and require it, on condition of our support for the budget, to provide quarterly very substantive reviews of the progress or lack of progress that had been made in implementing the budget, under the headings of supporting the vulnerable, the jobs of today, the jobs of tomorrow, regional fairness, and we do not want a permanent deficit.

In each of these areas we will require detailed information provided by the government. The timing will be such that this information will be provided close to a day on which a confidence vote is possible. Should the progress not be satisfactory or should the government not be willing to implement changes that the situation requires, then we would be able to propose a motion of non-confidence.

[Translation]

We are insisting on this partly because, for us, the budget is inadequate in certain areas. I also think it is important to say that we do not have a lot of confidence in the government in terms of its goodwill when it comes to certain aspects of its budget. I am thinking particularly about the Prime Minister's behaviour in the past when he did not support significant government intervention for social housing or even infrastructure.

It seems as though his motivation is based on the fact that he does not want the government to be defeated. And so, as soon as this has been passed, it is possible that the government's willingness to do what it says it will do in the budget, will be limited. That is why we are insisting on a quarterly report, to ensure that the government does what it says it will do.

[English]

That is the general body of our approach.

I now turn to a few of the different elements in the budget. However, before I do that, I will give a bit of a timeline. It has been a long and twisting road that has brought us to this point.

In September the Prime Minister told us that if Canada were to have a recession, we probably would have had it by then.

In October the Prime Minister told Canadians that there were a lot of good buying opportunities in the stock market. Since then, the stock market has plunged precipitously.

In November the government tabled an economic update that said things were still fine and that the government would run nothing but surpluses for many years to come. That was just two months and a day ago. In that two month period, we have gone from nothing but surpluses to a deficit of \$64 billion over a period of two years.

Then, in December, at the request of me and the member for Kings—Hants, the government updated its forecast and it showed that we were in a recession and that we were headed for a deficit of around \$6 billion. That was before spending any money at all on a stimulus package.

The Budget

It has been a long and torturous path. One day the Prime Minister speaks of the land is strong. A couple of weeks later he speculates on depression. One day it is surpluses forever. Two months later it is a deficit of \$64 billion. This is not a government that has managed the economy with a steady hand on the tiller. It is not a government that has conducted fiscal policy in a prudent fashion. On those grounds alone, one might have cause to question the budget, and certainly that will cause us to examine the government's behaviour with great care. However, past management is not sufficient to vote against the budget. Our leader has set out his various criteria and it is according to those criteria that we form our judgment.

• (1715)

[*Translation*]

One of the very important aspects of the budget is infrastructure. I do not think that it would be controversial to say that everyone in the House wants a large part of the budget to be dedicated to infrastructure, and there are many reasons for that. If we can quickly invest in infrastructure, it would create many jobs. These infrastructure projects create a ripple effect. Not only do they create jobs in the short term, there is also the fact that Canada has a deficit of more than \$100 billion in all types of infrastructure: roads, bridges, rapid transit, etc. There is no question about that. The United States has a large infrastructure program.

It is important for the cities as well as for the rural areas in Canada.

[*English*]

In rural areas in particular access to high speed Internet is critical to life. In urban areas it may be more public transit. Across the country, in one form or another, the need for infrastructure is crucial.

The problem we have is that the government has not been able to deliver on its infrastructure commitments of the past, and I think everybody agrees on that in principle.

At most, in terms of the building Canada program, the government has delivered 20¢ of every dollar it has committed and it has tied up the process in red tape. It has required so many different environmental and other approvals. It has rigid rules regarding municipal and provincial financing.

Perhaps bureaucratic or political lethargy is causing the government to sit on billions of dollars under a mattress in Ottawa. For whatever reason, the money has simply not flowed.

We are now in the middle of an economic crisis, perhaps the worst in a generation or more. Projections of falling employment over the next 12 months are in the neighbourhood of 250,000 even 350,000 jobs. There is an urgency to get money out the door to employ Canadians who have lost their jobs or those who are at risk of losing their jobs. It is not acceptable for the government to commit to billions of dollars of funding and deliver perhaps 20¢ on the dollar.

That is why we proposed a gas tax mechanism which was more flexible, where the modalities were already there, where there was not necessarily a one-third, one-third, one-third cost sharing. The trouble with that is the municipalities will have to pay one-third and they have no money so the project will not happen. That is why, in terms of our monitoring mechanism, a critical part of that monitoring

will be to see whether the infrastructure money actually flows. I can assure the House that we on this side of the House will be watching that like a hawk.

The second element is employment insurance.

Employment insurance is always important. On the brink of a major recession, or even in the middle of a major recession, and I hope it is the middle but perhaps it is the beginning, in the course of that major recession employment insurance becomes all that more important. This new employment insurance has not before been recession tested with the reforms or program changes of the mid-1990s. We have not had a real recession since that time.

A number of important concerns have been raised by my party and by other opposition parties which the government has addressed to a certain extent, but has not addressed, in our view, to an adequate extent.

The government has increased the length of the benefit period by five weeks, and that is good and nice. We do not object to that. If someone is already receiving employment insurance, that is a good thing. However, the government has done nothing to increase access to employment insurance, and that is a critical issue. Let me illustrate.

With the five week extension to which the government has now committed, a worker in my riding of Markham—Unionville would have to work 630 hours to qualify for a maximum of 45 weeks of employment insurance. A worker in Vancouver would have to work 700 hours or more to qualify for a maximum of 41 weeks, whereas a worker in Flin Flon would have to work 420 hours to get up to 50 weeks of employment insurance.

Maybe that would be all right at a time when there was not a significant recession, or maybe it was better in the past when there was less mobility from one place to another. However, at a time of major recession when unemployment and job losses are proliferating in Ontario, for example, traditionally the industrial heartland of this country, it is not acceptable that someone in my riding would have to work 630 hours to qualify as compared with far fewer hours for people in other parts of the country.

• (1720)

Therefore the government ought to have moved to significantly reduce those numbers of hours of work and perhaps to standardize the number to somewhere in the neighbourhood of 400 hours across the whole country, either permanently or at least for the duration of the recession. That would have been a very positive move, because those who have contributed to the employment insurance system deserve to have access to it at their moment of need.

The other concerns I will not enter into in detail, but there have been suggestions that the two-week waiting period be reduced or eliminated.

There are also unacceptable delays in receiving one's employment insurance cheque. I think that is an administrative matter, and it is important to put into the system whatever resources are necessary so that people do not have to wait unduly for their cheques.

The Budget

I would like to talk a little about tax cuts, but before that, let me talk very briefly about agriculture and a little about jobs for tomorrow. In this area this budget has been at least somewhat inadequate, if not worse than that.

I am told by those who know much about the agriculture sector that this budget has indeed been woefully inadequate in its efforts to provide stability in farm income. I know that many parts of the agricultural sector in certain parts of the country are going through extremely difficult times. This budget has not done enough to address those problems, and I am sure my colleague from Malpeque would not disagree with that statement.

• (1725)

[Translation]

Furthermore, I am also concerned about what are being called “the jobs of tomorrow”. We must not only protect today’s jobs, but we must also create new jobs for the future, especially since there are not enough jobs for today.

We must therefore make education more accessible to more people and promote training. We must also invest in the jobs of tomorrow through a research and innovation program. I think the budget is severely lacking in these two areas. Considerable funds are being allocated to training, but I think the budget is weak in two specific areas: first of all, funding for post-secondary studies and second, funding for research and innovation.

[English]

I have talked about delivery problems. At least on paper this budget is strong on training, but it has very little to support post-secondary students. Particularly at a time of a weaker economy, the needs of post-secondary students, because they have lower incomes and a lessened ability to get jobs, are probably more acute than they are in normal times, so some support for post-secondary students, particularly those from lower-income backgrounds, would have been appreciated at this time of economic difficulty across the country.

There is very little for the research and innovation agenda, for the creation of brain power. There are a lot of bricks and mortar, a lot of buildings, a lot of roads. Well-known journalist Chantal Hébert said last night that it is a 1970s budget. It is full of shovels, and bricks and mortar, and roads, but has very little on brain power. The economy of the 21st century needs buildings and roads, yes, but it also needs brain power, innovation and a new capacity to generate the ideas, the new services, and the new BlackBerrys of tomorrow, and there is virtually nothing there.

It is almost as if we will have all these spanking new buildings, transit systems, roads and laboratories, but no people there, no funding for the research or the activities that will actually generate the ideas. That is a weakness of the budget.

[Translation]

I think I am nearly out of time, but I would like to talk briefly about the fact that some fears have been raised about tax cuts. Large, permanent tax cuts would only lead to major, permanent deficits, which no one likes. However, this is not really a problem, because the tax cuts are not very significant. Thus, this should not be a major concern.

[English]

In fact, as Jack Mintz pointed out today, the alleged tax reductions are not as large as one might think, because the government is claiming credit for tax cuts on things that are already built into the framework, and the actual tax cuts that are new in this budget are substantially less than the government claims.

The last point I would make is that we do insist on a return to balanced budgets over the medium term. We have concerns that the government wrongly includes revenue from asset sales in this budget, wrongly includes reductions in government spending without saying what they are, and makes very rosy assumptions about a return to a balanced budget. For all these reasons, we in the Liberal Party deem this budget marginally passable, but only on the condition that it be subject to very strict and very detailed quarterly reviews and be subject to confidence votes.

Mr. Joe Preston (Elgin—Middlesex—London, CPC): Madam Speaker, in its final report this January, the expert panel on securities regulation recommended a single securities regulator. This government has stated that it will work together with provinces and territories to come to that conclusion, that is, a single securities regulator. The member’s party has stated in the past that it would be in support of that idea. I would like to get his opinion on that.

• (1730)

Hon. John McCallum: Madam Speaker, in the past I have said that in principle I do support that idea.

I would make three very quick points. First, I do not see a sense of urgency. The global crisis originated in the United States, where there is a single regulator. It is worse in the U.K., where there is a single regulator, than it is in Canada with our alleged thirteen. It is a good idea in principle, but I do not think it is a matter of urgency.

Second, at a time of economic crisis it is very important that provincial and federal governments work together in a harmonious spirit to address the real issues and challenges they face. I think to generate a big fight over this issue at this time is not a good idea.

Those are only two reasons. They are probably enough.

Mr. Don Davies (Vancouver Kingsway, NDP): Madam Speaker, the hon. member says that the economic update in November was deceptive. The hon. member claims that the Conservatives have mismanaged the surpluses that accumulated under his government. He says that the government cannot be trusted and that the budget is replete with red tape. He has serious doubts about delivery of the infrastructure moneys. He says that the deficit reduction plan is unrealistic. He has claimed that it is improbable that proper accounting was applied to the asset sale bookings.

The Budget

The hon. member says that his party believes in child care and that they support women, yet there is nothing for child care in this budget, and this budget actually repeats the offensive attack on pay equity contained in the November fiscal update. The hon. member says that his party believes in a green economy, yet this budget is one of the worst budgets for the environment in recent history.

One could go on and on. This budget does not have anything on a national housing strategy or on meaningful EI reforms. If the hon. member and his party truly believe in these programs, as he claims, why does he not do the right thing, defeat this budget, and actually enter into government that really and truly will deliver these programs on behalf of Canadians, instead of just talking about them?

Hon. John McCallum: Madam Speaker, I have acknowledged in a forthright way that there are many things about this budget that we do not like. I also said there were a number of things in the budget that we do like, although I spent less time on that aspect. However, I think the hon. member over there would agree at least that if we compare it with the November economic update, there is a huge improvement from one document to the other. I would ascribe almost 100% of that improvement to the work that the three opposition parties did together.

We have come to the conclusion that while this is an imperfect budget, it is a huge improvement over its predecessor and it can be worked with, subject to monitoring it, watching its implementation like a hawk, and being prepared, depending on how the economy evolves, to propose significant changes in policy, as our leader has indicated. Should the government not cooperate, it could be brought down in three, six or nine months' time. We shall see as time goes by. That is the position that I think our leader described very clearly today.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Madam Speaker, these are obviously difficult times. A hundred thousand people have lost their jobs in the last couple of months. There were signals that EI would go through a major reform in this budget, but it was a little disappointing.

While we will support the budget, it is conditional and we will keep an eye on it.

There is money for retraining, which is positive. The government has added five weeks in EI on the back end. Perhaps two weeks upfront would have had more of a stimulative effect to get rid of the waiting period, which is an affront to workers who have lost their jobs. I think there is some confusion on that side.

I believe the last minister who spoke, the Minister of Intergovernmental Affairs, said that there was increased access to EI. If that is what she said, she is wrong. There is not. People are waiting up to 40 days. A woman in my riding is waiting 47 days for her EI benefits. People are waiting a long time.

I have talked to the member, who is our economic guru, about EI on a number of occasions. I know he understands it. Could he tell us some of the key things that we will be looking for in holding the government to account so that the workers of Canada have some support system as they lose their jobs in the coming months. What kind of measures on EI are we going to be looking at as we hold the government to account when the budget goes through?

● (1735)

Hon. John McCallum: Madam Speaker, if I am the economic guru, my colleague is certainly the guru of human resources, employment insurance and education. We work very well together. I think he is the expert rather than me on employment insurance.

He has pointed out the areas that we would like to see addressed, possibly weeks of benefit. The government has done that, but arguably the weeks at the end are the least important. We agree on the two week waiting period. We agree on the speed of delivery of the cheques.

I would argue that most important of all, although it is hard to say what is most important but it is extremely important, is the number of hours of work required before a person is eligible to enter the system, particularly in a time of recession.

In terms of our leader's position on how this might evolve, today in an answer to a question, he said that we would look very closely at the way the employment insurance program worked in the coming months. He said that the government had extended the benefit period, but it did not extend the eligibility criteria, and that would be a critical point. He went on to say that if the situation of the unemployed worsened, we would have to take action. We would have to say to the government that its policy had to change, otherwise we would change governments.

This indicates a flexible position on the part of our Liberal Party and our leader, that it is an evolving situation. If the employment situation were to further deteriorate, as it might, then we would call upon the government to change certain employment insurance rules if it wanted to remain the government.

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Madam Speaker, the Liberal Party's position is rather disconcerting and difficult to follow. According to what he just said, we need to make changes to employment insurance to make it easier to qualify for benefits. However, the Liberal Party is about to vote for a budget that would freeze contributions at 1982 rates. For all intents and purposes, it will no longer be possible to improve the program. And yet it wants a delay of a few months to improve it even though his party is helping to put a lock on the program.

I wish I could understand the logic in that decision.

Hon. John McCallum: Madam Speaker, in a logical manner, we have deemed that the budget is not bad enough to trigger an election while in the midst of the current crisis. However, the budget is bad enough to warrant monitoring the government very closely. In addition, as our leader just said in the quote I read, it is possible, if necessary, that in coming months we will ask the government for economic changes.

*The Budget**[English]*

Ms. Olivia Chow (Trinity—Spadina, NDP): Madam Speaker, the member is from Ontario. Seven out of 10 Ontarians who are unemployed will not get EI. Students will still be saddled with huge debts. There is no hope for anyone waiting for child care programs. People who earn less than \$20,000 will not see an increase in child tax benefits.

Given all that, why would the Liberal Party not move some amendments to fix the problems, since its members go on at length about them? Instead of asking for some reports, which are essentially meaningless, why not change part of the budget to say that EI eligibility should be changed, for example?

Hon. John McCallum: Madam Speaker, I would point out to the hon. member that I do not think that accountability is meaningless. I think that once we get the information from these periodic reports then at that point we may well demand substantive changes of the kind that she is proposing. However, we want to see the reports, respond to the changing economic environment in the content of those reports, and at that time come forward with substantive points of the kind that she describes.

● (1740)

Mr. Peter Braid (Kitchener—Waterloo, CPC): Madam Speaker, I would like to start by indicating that I will be splitting my time with the hon. member for Egmont.

It is indeed an honour for me to rise today to deliver my maiden speech in this distinguished chamber. I would like to take this opportunity to thank my wife Annette and our two daughters, Tamara and Alexandra, as well as my parents and our extended family for their love and support.

I also want to recognize and thank the Hon. Walter McLean, the member of Parliament for my riding from 1979 to 1993, for his advice, encouragement and mentorship.

I am especially grateful to the constituents of Kitchener—Waterloo who have given me their vote of confidence. It is an honour to be their representative and I will work hard to be a strong voice for them here in this chamber.

It is my privilege to speak today to budget 2009, Canada's economic action plan. I would like to begin by commending the Minister of Finance for his wide-ranging consultation process. This has been one of the most comprehensive and inclusive pre-budget consultations in Canadian history, with direct input from literally hundreds of organizations and thousands of Canadians.

For example, in my own riding of Kitchener—Waterloo I joined with the hon. members from both Kitchener—Conestoga and Kitchener Centre to hold round table discussions with community leaders. This provided an opportunity for direct local input. We produced a report that was submitted to the Minister of Finance and I am pleased to see that several of our recommendations are reflected in our action plan.

One thing that became clear to me during our consultations was that local businesses were worried about the availability of financing. A businessman who runs a small parts company in my riding told me that he was having trouble meeting his payroll and other expenses.

His business was surviving but his receivables were up and getting through the week was a challenge.

Members of the House can never forget that when we talk about programs to improve financing it means help for working Canadians to get them through a difficult time. Our economic action plan addresses this issue by creating the new business credit availability program to improve access to financing for Canadian businesses during this period of economic uncertainty. Additional loans and other forms of credit support will be made available to help businesses with viable business models whose access to financing would otherwise be restricted.

The Waterloo area is the recognized centre of high tech business innovation in Canada and my riding has benefited greatly from visionary companies like Research in Motion. Many of us here in the House have our own BlackBerry devices and we know that they are from Waterloo. However, there are countless other innovations that never see the light of day because of a lack of focus on the commercialization of research. To create jobs and keep our research in Canada we must support small businesses that develop these new ideas and bring them to the marketplace.

That is why I am pleased to see that our action plan is allocating \$200 million over two years to the National Research Council's industrial research assistance program to enable it to temporarily expand its initiatives for small and medium size businesses.

The entrepreneurial spirit is alive and well in Kitchener—Waterloo. By supporting small and medium size enterprises we will foster a community of innovative businesses that will sustain and grow the economy both locally and nationally.

The region of southern Ontario benefits from a number of economic advantages including high education levels, large and prosperous urban centres and a close proximity to the United States marketplace.

● (1745)

However, the weakening U.S. and global economies have resulted in plant closures and slower economic growth that are creating hardships for workers and families in southern Ontario. To revitalize the economy in southern Ontario, our economic action plan will provide more than \$1 billion over five years for a new southern Ontario development agency. This new development agency will support community development, innovation and economic diversification with contributions to communities, businesses and non-profit organizations. It will help workers, communities and businesses in southern Ontario position themselves to take advantage of opportunities as economic growth recovers in Canada and around the world.

In addition to this, we are investing in federal public infrastructure. We will increase funding to VIA Rail Canada by \$407 million to support improvements to passenger rail services. The addition of a third railway track at key locations between Montreal and Toronto will allow more express trains and cut travel times by 30 minutes.

The Budget

Our action plan is designed to stimulate the economy and put people back to work. But at the same time, we must remember that the effects of the global recession are being felt by many Canadian workers and their families. Canada's economic action plan is taking action to help. We will extend EI benefits and provide new opportunities to enhance skills upgrading and training. We are also investing in social housing that provides many Canadians with quality housing at affordable rates.

The mayor of Waterloo, Brenda Halloran, spoke to our budget round table about the social housing needs in our city. Many existing units are aging and require significant repair and upgrading to meet modern energy efficiency and accessibility standards. Our economic action plan will address her concerns by providing \$1 billion over the next two years to improve the quality and energy efficiency of up to 200,000 social housing units for Canadians who need it most.

These investments will also provide employment for construction workers who are concerned about the slowdown in the housing market. At the same time, Canadians are being encouraged to be more energy efficient. During the consultation process, one of my constituents sent me a detailed proposal that called for an expansion of our eco-energy retrofit program. I am certain that he will be pleased to see that our plan provides an additional \$300 million over two years to the eco-energy retrofit program to support an estimated 200,000 additional home retrofits.

To further stimulate economic growth and encourage Canadians to invest in improvements in their homes, our plan also proposes to introduce a temporary home renovation tax credit. We will provide meaningful tax relief to help Canadian homeowners make improvements to their property while promoting broadbased economic activity and again help preserve jobs in the construction and materials sectors.

Canada's economic action plan will provide the stimulus our country needs to get the economy back on track and well positioned for future growth. We want to put people back to work and to create new jobs. By positioning ourselves as world leaders in innovation and technology, we are investing in long-term sustainable job growth.

One of the things that I heard repeatedly from businesses in Kitchener—Waterloo was that we must continue to invest in the knowledge sector. As Canada's premier high tech community, my riding depends on this sector to provide the good quality jobs that inject stimulus into the local economy. So I am pleased to see that the Minister of Finance responded by announcing that the Institute for Quantum Computing will be receiving \$50 million to support the construction and establishment of a new world class research facility that will contribute to achieving the goals of the government's science and technology strategy.

• (1750)

Through the prudence and forward-thinking decisions made on our economic action plan, I am confident that we will emerge from this recession with a more modern and greener infrastructure, a more skilled labour force, lower taxes and a more competitive economy.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Madam Speaker, I have a question for the member for Kitchener—Waterloo, who I enjoyed the Scottish dinner with the other evening.

I am pleased to hear that the member is excited about the financing of innovators and alternative energy. I would appreciate the member responding to the fact that his government has proposed a budget that is going to provide hundreds of millions of dollars to prop up the fossil fuel industry to pay for the testing of carbon sequestration while at the same time it has chosen to end the innovative program to help invest in renewable energy.

I am wondering if the member could also respond to the fact that he mentioned the extensive consultation project on the budget and if he could inform the House whether that included the first nations of northern Alberta, who have been waiting for the federal government to commit funds to look into their serious health concerns downwind and downstream of the tar sands.

Mr. Peter Braid: Madam Speaker, I want to assure the House that the government remains extremely committed to achieving our greenhouse gas emission goals and a reduction of greenhouse gases by 20% by 2020. We have reaffirmed that commitment in this budget. We have also clearly indicated that there will be funding for the research of green technologies and further support for carbon capture storage to ensure that our greenhouse gas emissions are reduced.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Madam Speaker, allow me to pass on my congratulations to the member on his first speech in this place. I remember my first speech four and a half years ago, which was about 11 elections ago now. His speech was well done.

He comes from an area that has benefited from the great investments in research made by the previous Liberal government. The people who own RIM have often spoken about CFI, the investments in the granting councils, and the great work that was done to reverse the brain drain and bring people back. It is very significant and the member comes from an area where people know that.

I would like to ask a specific question, which pertains to page 110 of the budget document, on the national child benefit supplement and the Canada child tax benefit. The government touts this as a great step forward for those most vulnerable, but it indicates that a family income of \$35,000 will get \$436 a year more whereas a family with an income of \$20,000 a year will receive nothing. Is that really protecting the most vulnerable?

Mr. Peter Braid: Madam Speaker, in this budget the government has very clearly targeted tax relief for the most vulnerable in society. Our tax cuts are directed at lower and middle income Canadians to ensure that the tax burden is eased on those important segments of our society.

The Budget

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Madam Speaker, again I congratulate the member on his first speech in the House.

My question has to do with employment insurance. I come from a riding where a significant number of forestry workers have been laid off. Not only do they not qualify for any of the transition money under the community development trust fund because many of them are under the age of 55 but many of them simply do not have enough weeks to qualify for an employment insurance claim.

I would like the member to address the fact that this budget fails working families who are simply not eligible for employment insurance under the current rules.

Mr. Peter Braid: Madam Speaker, this government is very committed to ensuring tax relief for lower and middle income Canadians, as I mentioned, and working families specifically with respect to EI benefits. In fact, this government through the budget will enhance EI benefits by extending benefits for five weeks and also improving retraining and training benefits under the employment insurance program.

• (1755)

Mr. Devinder Shory (Calgary Northeast, CPC): Madam Speaker, as the Minister of Finance and his colleagues have conducted extensive and inclusive prebudget consultations in the past six weeks, could the hon. member tell me how closely this budget aligns with what he heard during his prebudget consultations?

Mr. Peter Braid: Madam Speaker, I can assure this House that we had extensive consultations in my riding of Kitchener—Waterloo and the feedback from those stakeholders who participated in those economic round tables has been very favourable with respect to seeing the results of their input directly in this economic action plan.

Hon. Gail Shea (Minister of Fisheries and Oceans, CPC): Madam Speaker, it is certainly a great privilege to rise in the House this evening to talk about budget 2009 and what it means for Canadians and communities across our country.

Our economic plan for Canada is the result of extensive consultation. We are responding by taking action to protect working families and their jobs today, while also creating jobs for the future.

Our action plan includes tax relief to stimulate the economy and seeks to protect those hardest hit by the global economic downturn, including those in our coastal and rural communities.

We are injecting money into the economy to get people working. We are striving to create employment for those hardest hit by this economic uncertainty. We are working with provinces, territories and municipalities and we are investing in sectors and regions right across the country.

Our government has demonstrated that we are focused on the economy, that we will do whatever it takes to help Canadians weather this storm and to get this economy rolling again. Exceptional times call for exceptional measures.

As Minister of Fisheries and Oceans, I would be remiss if I did not talk about how budget 2009 will benefit Canada's fisheries sector and coastal communities. The one issue that came up time and time

again during my consultations and discussions with harvesters and processors from coast to coast was access to credit. The global credit crunch has reached all the way across this country but with our government's business credit availability program, that will change.

For example, a lobster processor who can no longer sell his inventory at the same price and volume as before to a U.S. client because that client is feeling the downturn, needs help to access capital to finance his ongoing operation. He turns to his bank for a line of credit but the bank says no because of competing requests and the seasonal nature of his business. Through the business credit availability program, the bank will be able to get support from a financial crown corporation to allow that processor's credit needs to be met on commercial terms. The same will apply to distributors. Access to credit will enable our seafood enterprises to manage inventories and ride out a challenging season.

Support for workers is also a key component of our economic action plan. By extending EI benefits by five weeks, and I have to say that this measure is already in place as a pilot project in some areas in Canada including mine, by providing additional funds for training and by extending support for older workers, such as those who are 55 and over, our government will be helping ships' crews, plant workers and harvesters weather the economic storm.

For those in the industry who are hardest hit by the decline in global demand for fish at reasonable prices, the \$1 billion community adjustment fund will provide needed investments to address significant adjustment pressures in many fishing and coastal communities.

Working with regional development agencies, such ACOA and CEDQ, we will be able to invest in initiatives that will help our fishing industry adjust to new market demands.

Our government's action plan has far-reaching positive investment for fishing communities, the fisheries and marine sectors and beyond. That is why we are investing in communities in this time of economic uncertainty. With significant investments in small craft harbours and the Canadian Coast Guard, budget 2009 will assist Canadians weather the economic storm.

As we all know, Canada is a nation built on a fishing tradition that continues to endure. Our country's wild and cultured fisheries contribute \$12 billion annually to the Canadian economy. Aquaculture accounts for one-third of the commercial fishery and it is worth over \$900 million each year.

When combined, commercial fishing, processing and aquaculture employ over 130,000 people. The fisheries sector is the sole economic driver in more than 1,000 coastal communities.

The Budget

Our government recognizes the value of the fisheries and marine sectors and we are committed to helping them flourish with close to \$400 million for vital infrastructure, small craft harbours and the Canadian Coast Guard fleet.

• (1800)

We will invest funds in areas that will have the most direct benefit on the Canadian economy.

As part of our government's economic stimulus plan, we will invest up to \$200 million over two years for repair and maintenance of core small craft harbours. Those small craft harbours are in the ridings of most MPs in this room. We must build safe, accessible and sound harbour facilities for the commercial fishing industry and for the communities they support.

In Prince Edward Island, this investment means projects in communities such as Wood Islands, where we will invest more than \$2 million for the wharf stabilization program and harbour improvements. Miminegash Harbour in western P.E.I. will also receive \$1.1 million for wharf construction and shore protection. The fishers in these communities have been waiting a long time for this funding and I am pleased to deliver this.

I recognize how important wharf infrastructure is to Quebeckers and that is why we have allocated \$3.6 million to three harbours in the Gaspé region for repairs, construction and reconstruction.

Fishing harbours are also important to northerners. I am pleased to report that budget 2009 allocates an additional \$17 million to accelerate the construction of a small craft harbour in Pangnirtung. This critical harbour infrastructure will support Nunavut's growing commercial fisheries and will mean jobs in a region that is seeking opportunities for further economic development.

We will also invest \$87 million over two years to support the government's commitment to Arctic science. This includes investments in northern research facilities and preliminary work to fulfill our commitment to establish a high Arctic research station.

Our government will invest an additional \$250 million over two years to modernize federal laboratories across the country. A portion of this new money will be put toward salmon enhancement program facilities throughout British Columbia.

As the government's maritime services provider, the coast guard is vital to our country's maritime economy. We will invest \$175 million in the Canadian Coast Guard to procure 68 new small vessels, 30 environment barges and to undertake major repair work on 40 of our aging larger vessels.

By procuring 47-foot lifeboats, we will bolster search and rescue operations. Purchasing new inshore fisheries science vessels will enable scientists to conduct crucial research on the health of our oceans and the fish that live there. Replacing environment response barges will enable us to be better equipped to respond to environmental emergencies in Canadian waters.

Our government is also committed to major repair work on the fleet which will improve their availability and their reliability. In addition, we will extend the life of five existing multi-task coast

guard vessels so they can continue to provide programs such as fishery conservation and protection patrols.

Work will be conducted in Canada where possible by shipyards located within the regions of the vessel's home ports. We intend to try to spread this work right across the country.

We have vessels in every region across the country from British Columbia to Newfoundland and Labrador, and our long term investments will provide support for shipbuilding. These investments will ensure that Canadian waters are safe, accessible and secure. These measures will speed up all funding initiatives so that they will directly benefit local economies, create jobs and strengthen communities.

Let there be no doubt that our government is working to minimize the impact of the economic downturn as much as possible.

As the first federally elected Conservative from P.E.I. in 20 years, I am proud to represent Egmont in this House. In this budget, our government actions will translate into real jobs and real jobs for Islanders. We all realize that P.E.I. is not immune to what is happening on the world stage, however, Islanders will see significant benefit from our action plan on the economy. As the Minister of Finance said yesterday, Islanders will benefit from projects like the Summerside wind project and the wharf repairs at Wood Islands and Miminegash.

Small businesses will be eligible for tax relief and our heritage programs will benefit from cultural infrastructure investments.

P.E.I. will also receive its share of our investments in social housing help for Canadians on fixed incomes, including \$400 million for new social housing for seniors and \$75 million for new social housing for persons with disabilities.

• (1805)

Hon. Wayne Easter (Malpeque, Lib.): Madam Speaker, I welcome the minister's remarks, although I disagree with many of them because there is nothing in the budget for the basic industries in Prince Edward Island at the production level.

We welcomed the announcement by the Minister of Fisheries and Oceans the other day on the infrastructure funding for barns and a racetrack in Summerside. I am wondering if the precedent she set there would apply to other federal government programs. The precedent she set was a federal share of 91.2% of the funding for that racetrack, yet there are other infrastructure programs that only get one-third, one-third, one-third. Municipalities cannot do it. I want to know if that sets a precedent for the federal government. Can we expect 90% funding for other racetracks in the country, for other infrastructure in some of the basic industries?

The Budget

P.E.I.'s hog and beef industry is in trouble. Our potato industry is in trouble. The current minister and a previous minister announced \$12.4 million for crop loss during the election, but only \$3 million of that has been spent. Those industries remain in trouble.

Is the minister going to allow \$9 million of that money to come back to Ottawa when it is needed in Prince Edward Island, or is she going to assure us here today that it will go to those basic industries?

Hon. Gail Shea: Madam Speaker, if the hon. member is implying that I have delivered too much money to my riding, I certainly will take that as a compliment.

I want to correct my colleague on one point. When it comes to community projects, federal government funding through ACOA can be up to 90%. We were happy to deliver that program to Summerside.

With regard to the \$12 million that was provided by the Government of Canada for potato producers in P.E.I. last fall, it is my understanding there was uptake on a part of that, but a lot of the paperwork is held up somewhere in the administration of this project and that rests with the provincial government. I have asked my officials to check this out with the provincial government to make sure that that money does flow to the people who most need it.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Madam Speaker, I was looking through the budget document and found that there is actually one small craft harbour in Atlantic Canada that is getting more funding than all of British Columbia combined by a stretch. I am wondering about the balance.

Prior to the break, the minister committed to me that she was willing to come up to the northwest coast of British Columbia. We are still waiting on her presence there so she can hear from workers involved in the fishery industry. Those workers have watched as the number of commercial boats has decreased from 750 down to 150. The employment insurance adjustments that they have been calling for within the fishery industry for years are absent from the budget. They are not there. This is the number one thing asked for consistently by fishing communities.

The hatchery program on the west coast has been decimated by this budget, the one before it, and the one before that. That is mostly volunteer work that the government has to seed with a small amount of money to allow for the restoration of the west coast stocks that have been so decimated.

Do we find any of these points in the budget? Not at all. If my dear friend from Atlantic Canada sitting on the Liberal benches is so upset with the budget and these measures, he has a clear option and choice ahead of him, which he will not take.

• (1810)

Hon. Gail Shea: Madam Speaker, I want to assure the member that I have been to B.C. I was there probably for four days, and the time was spent doing some pre-budget consultations. I met with many organizations that represent industries in B.C.

I want to assure my colleague that the small craft harbour that was mentioned in the budget for B.C. is only the start of our program. We had chosen small craft harbours from each jurisdiction to be named in the budget. There will be many more to come. The amount of

money attached to the project depends on the actual condition of that particular harbour.

I intend to go back to B.C. to talk to the fishers.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Madam Speaker, I will be splitting my time with the hon. member for Alfred-Pellan.

The Bloc Québécois has already said it is in total disagreement with the Conservative budget. This budget is totally unacceptable for a number of reasons, some of which I will explain now.

Quebec and Quebeckers have been going through a major economic crisis, like many other regions, and were expecting much more vigorous efforts to re-start the economy. It is important to point out that the crisis now affecting other provinces arrived in Quebec quite a while ago.

When we talk about the crisis in industry in general, in manufacturing and especially forestry in Quebec, the areas where most of these industries are concentrated have been in crisis mode for four or five years now. Various communities in Quebec and the vast majority of its regions, whether involved in pulp and paper, softwood lumber, forestry or furniture, have been seriously affected for many years now.

We would naturally have expected the Conservative budget to come to the assistance of these communities and make up some of the lost time. The Conservatives have been doing nothing to support the forestry and manufacturing industries for quite a few years now. We would have expected them to take action for once. We said to ourselves, "Finally, they are going to make funds available, as they said they would". What we saw instead, though, was that Quebec was completely forgotten in this budget.

The Conservative budget provides \$170 million for the forestry and manufacturing sectors in comparison with \$2.7 billion for the automobile industry in Ontario, which is generally agreed to have been in a crisis situation for six months or at most a year. Companies in Quebec have been closing their gates one after another, some temporarily but others permanently.

It is completely incomprehensible that the government is being so unfair in this budget. When we look again at what will be given to Ontario, we see a new agency for southern Ontario with a budget of \$1 billion. Once more, there is an awful lot of money for Ontario. We said it before and will say it again: this is totally unfair to Quebec.

That is one of the measures that lead us to say it is impossible for members who really defend the interests of Quebec to vote for a budget like this, which deprives Quebec of large amounts of money and sends them elsewhere.

The Budget

Another important issue is employment insurance. Rather than eliminating the two week waiting period, the Conservatives have chosen to do something—and will be supported in this by the Liberals—that will not help all the working people who lose their jobs. If the two-week waiting period had been eliminated, everyone who gets employment insurance would have been affected. The Conservatives decided instead, though, to extend the benefits for another five weeks at the end, when many people may have already found new jobs. Therefore it will cost less. Once again, the Conservatives are playing politics and saving money on the backs of people who have lost their jobs. Around 50% of people who lose their jobs do not qualify for employment insurance anyway. That is completely unfair. The Conservatives have refused to make employment insurance more accessible. The measures I have suggested would have really helped everyone who loses his or her job.

● (1815)

I was saying that the crises in the forestry and manufacturing sectors have hit Quebec especially hard in the past four or five years. Such measures might have been seen as a sign of the Conservative government's compassion for people losing their jobs. Not so. It is implementing a measure that will help only a few and gloating over its fine politics. That makes no sense, and we will most certainly oppose it.

There is another major item of discord, and I do not think we have heard the end of it, either. Apparent in yesterday's budget was the Conservative government's clear intention to put a cap on equalization. To do so unilaterally and without consultation is totally inappropriate and fails to respect the jurisdictions of those involved. Quebec is going to lose \$1 billion in the next fiscal year and nearly \$2 billion the following year. I can hardly imagine the difficult choices that will have to be made in Quebec.

Will educational and daycare services have to be cut. Will there be cuts to health care services, when people are already having a hard time finding a family doctor? These measures will have a very negative impact on Quebeckers.

As I was saying, will family policy be affected? While Quebec has been a leader for a number of years, the government is going to cause it to lose ground with measures like these, unacceptably.

By heightening the fiscal imbalance—I mentioned equalization—the Conservative government is breaking earlier promises, just as it did when it reiterated its intention to walk all over Quebec's jurisdiction over securities. I return to the subamendment proposed by the Bloc Québécois. It refers to a motion passed unanimously by the members of the National Assembly that says that the intention expressed by the Conservative Government in recent months to create a single securities commission is in contravention of Quebec's exclusive jurisdiction in this matter. It also is counter to the expressed wish of the Government of Quebec, which has made it clear that it is prepared to take this matter to the Supreme Court. It is quite out of the question for the Conservative government to heighten the crisis we are already in and to announce its intention to use this budget to open the subject and once again increase tensions between the governments of Quebec and Canada.

I add in closing that this Conservative government still without provision in its budget to implement the Kyoto accord is once again in conflict with Quebec's major economic interests. Many years ago, a system was set up in Quebec to reduce pollution significantly. Renewable energies and clean electricity are used with Hydro Quebec. Businesses and individuals have taken steps that have made Quebec a leader. Implementation of the Kyoto accord and the creation of a carbon emissions trading market would encourage Quebeckers and return to them the funds they have paid out of their own pockets.

I close by saying that this budget is totally contrary to the interests and values of Quebeckers.

● (1820)

[English]

Hon. Larry Bagnell (Yukon, Lib.): Madam Speaker, the member's speech was very thoughtful.

The member has complaints regarding the regional development agency for southern Ontario. Quebec has had a regional development agency for the entire province. All the provinces have access to one. Southern Ontario was the only region that did not have access to one.

Does he not think it is fair that southern Ontario now has the same access that all Quebeckers and other Canadians have?

[Translation]

Mr. Jean-Yves Laforest: Madam Speaker, when I mentioned the creation of this regional development agency, I did not mean to question the needs in various regions, be they in Ontario or elsewhere. However, in the proposed model for cutting or modifying the equalization system, we see that \$1 billion will be deducted from the amount Quebec was counting on receiving this year. Curiously, the budget for creating this new agency is also \$1 billion.

No doubt Ontario had no regional development agency because southern Ontario was already so well developed economically compared to the rest of Canada and Quebec that it did not need such an agency. Now, a region that was already very diverse economically is benefiting even more. That is what I meant to say.

[English]

Mr. Malcolm Allen (Welland, NDP): Madam Speaker, I am interested in my colleague's comments concerning employment insurance, especially as it relates to the transition and training fund as proposed in the Conservative budget yesterday. It is an awfully big number, \$8.3 billion. However, when one starts to look at that number and breaks it out, over half of it goes to those who already work. There are \$4.5 billion in the fund to ensure that EI premiums will not go up for the next two years.

If one is working, one does not collect employment insurance. That also includes employers that pay into the fund. They will get a holiday as far as the premiums are concerned, whereas that money could have been targeted towards those who do not work. However, when it comes to those who are vulnerable, those who do not collect employment insurance, when we start to break out the moneys, it is lower and lower.

The Budget

Would my hon. colleague like to comment and perhaps tell us the impact that would have on vulnerable Quebec workers who do not qualify for employment insurance and the lack of adequate funding for those particular training programs?

[*Translation*]

Mr. Jean-Yves Laforest: Madam Speaker, obviously, I mentioned earlier in my speech that the Conservative government has poorly targeted assistance that should have been given to the jobless. And I said that it would have helped to abolish the waiting period. When the Conservative members and ministers tell us they held consultations, I wonder whether they held those consultations in hotels, where they listened to people express their concerns.

I held some consultations of my own, but I did it in the street, and the people I listened to were people who go on employment insurance every year, people who lose their jobs periodically and others who have lost their jobs permanently because a company closed its doors.

People in Quebec tell us that what hurts the most is the two-week waiting period, when they have no income to support their family and pay their bills. Those two weeks hurt the most. Certainly, any measure that prevents an infusion of new money into the employment insurance system once again deprives individuals and families of adequate income that would help them weather a crisis while looking for a new job.

• (1825)

The Acting Speaker (Ms. Denise Savoie): Resuming debate.

I must inform the hon. member for Alfred-Pellan that he will be interrupted at 6:30 p.m.

Mr. Robert Carrier (Alfred-Pellan, BQ): Madam Speaker, given the cooperation, the reaching out and the lack of dogma we have seen since the prorogation of the House of Commons by the Conservative Prime Minister, I thought we would be able to support a real budget to stimulate the economy. But yesterday, the government presented a budget that is completely unacceptable for Quebec and for the people who, in this time of economic crisis, are entitled to adequate, sufficient measures from the federal government, which, I would add, has the means.

Clearly, Quebec will lose a great deal of money as a result of this budget, particularly when it comes to equalization. On January 15, 2009, the National Assembly of Quebec passed a motion calling on Ottawa to help Quebec through this economic crisis. Through this unanimous motion, the National Assembly asked the federal government to take a series of actions, including increasing support

to the manufacturing sector and forestry industry, as it did for the Ontario auto industry; improving training for those workers most affected by the crisis; maintaining the current formula to calculate equalization; and increasing federal investment in infrastructure.

Yesterday, the Minister of Finance said no to Quebec. He confirmed the Quebec government's worst fears with his revised equalization calculation, which will mean a significant shortfall for Quebec, and with the creation of a single, pan-Canadian securities regulator. Let us not forget that just two years ago, the Conservative government passed a motion recognizing the Quebec nation in the spirit of what it called openness. The budget confirms that that openness has suddenly been closed.

Quebeckers gave the Bloc Québécois a mandate, and the Bloc Québécois acted responsibly to fulfill that mandate when it proposed a detailed, costed, realistic plan last fall. That plan focused on major points of consensus among Quebeckers, and our role is to promote those ideas here in Ottawa. However, the Prime Minister has chosen not to do anything about Quebec's demands. Rather than help Quebec, the federal government has decided to deny it the tools it needs to face the crisis. Instead, the Conservative leader has chosen to give in to the demands of Ontario and the west. The worst part is that, just this morning, he got the support of the leader of the Liberal Party of Canada.

For example, the government has put forward nearly \$4 billion worth of measures chiefly benefiting Ontario. The auto sector—which is concentrated in Ontario—will receive \$2.7 billion, a disproportionate amount compared to the assistance Quebec will be receiving. The 2009 budget has allocated over \$1 billion over five years to set up a southern Ontario development agency to help workers, communities and businesses in the region. In contrast, Quebec's forestry and manufacturing sectors will be getting just a few million dollars.

Bad faith has become a Conservative mantra: once again, they are back with their community adjustment fund, which will give Quebec just a tiny fraction of the money allocated for employment—

• (1830)

The Acting Speaker (Ms. Denise Savoie): I apologize for interrupting the member for Alfred-Pellan. He will have six more minutes to speak tomorrow, plus questions and comments.

It being 6:30 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:31 p.m.)

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