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OFFICIAL REPORT
(HANSARD)

Thursday, January 29, 2009

—
Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, January 29, 2009

The House met at 10 a.m.

Prayers

• (1000)

[English]

POINTS OF ORDER

DECORUM

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I would like to respond to the point of order raised by the whip of the Bloc Québécois who accused me of trying to do something indirectly that I could not do directly. That was not my intention. My intention was to represent the views of my constituents.

At the end of the speech I made in the House, and realizing I had extra time, I read some emails from constituents and, unfortunately, some were found to be offensive. I apologize to those who were offended by those remarks.

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, I would also like to respond to a point of order raised recently by the whip of the Bloc Québécois who accused me of trying to do something indirectly that I could not do directly. That was certainly not my intention. My intention was simply to represent and present the views of my constituents.

At the end of my speech I realized I had extra time so I read some emails from my constituents and, unfortunately, some were found to be offensive. I apologize to those who were offended by those remarks.

ROUTINE PROCEEDINGS

[English]

TABLING OF DOCUMENTS

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, it gives me great pleasure to present to the House a message from Her Excellency the Governor General signed by her own hand.

INUVIALUIT FINAL AGREEMENT

Mr. John Duncan (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, CPC): Mr. Speaker, under the provisions of Standing Order 32(2) I have the honour to table, in both official languages, copies of the 2005-2007 annual report of the Inuvialuit final agreement implementation coordinating committee.

Under the provisions of Standing Order 32(2), I have the honour to table, in both official languages, copies of the 2004-05 annual report of the Inuvialuit final agreement implementation coordinating committee.

* * *

• (1005)

SAHTU DENE AND METIS COMPREHENSIVE LAND CLAIM AGREEMENT

Mr. John Duncan (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, CPC): Mr. Speaker, under the provisions of Standing Order 32(2) I have the honour to table, in both official languages, copies of the 2004-05 annual report of the implementation committee on the Sahtu Dene and Métis comprehensive land claim agreement.

Under the provisions of Standing Order 32(2) I have the honour to table, in both official languages, copies of the 2005-2007 annual report of the implementation committee on the Sahtu Dene and Métis comprehensive land claim agreement.

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GWICH'IN COMPREHENSIVE LAND CLAIM AGREEMENT

Mr. John Duncan (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development, CPC): Mr. Speaker, under the provisions of Standing Order 32(2) I have the honour to table, in both official languages, copies of the 2005-2007 annual report of the implementation committee on the Gwich'in comprehensive land claim agreement.

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CANADA CONSUMER PRODUCT SAFETY ACT

Hon. Leona Aglukkaq (Minister of Health, CPC) moved for leave to introduce Bill C-6, An Act respecting the safety of consumer products.

Routine Proceedings

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

* * *

MARINE LIABILITY ACT

Hon. Leona Aglukkaq (for the Minister of Transport, Infrastructure and Communities) moved for leave to introduce Bill C-7, An Act to amend the Marine Liability Act and the Federal Courts Act and to make consequential amendments to other Acts.

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

* * *

[*Translation*]

INTERPARLIAMENTARY DELEGATIONS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to table, in both official languages, the report of the Canadian delegation of the Canadian branch of the Assemblée parlementaire de la Francophonie (APF) respecting its participation in the Francophone Conference, Hungary National Assembly, which took place in Budapest, Hungary on October 30 and 31, 2008.

* * *

[*English*]

CRIMINAL CODE

Mrs. Joy Smith (Kildonan—St. Paul, CPC) moved for leave to introduce Bill C-268, An Act to amend the Criminal Code (minimum sentence for offences involving trafficking of persons under the age of eighteen years).

She said: Mr. Speaker, this is an extremely important bill because in Canada there are no mandatory minimum sentences for human trafficking convictions, not even for children. The October report of the Canada-U.S. consultation, in preparation for the world congress against sexual exploitation of children and adolescents, recommended that Canada amend its Criminal Code to provide a mandatory minimum penalty for child trafficking.

In Peel county right now numerous trafficking charges are on the table, hopefully, with convictions, and this kind of bill would ensure that traffickers have very stiff sentences. This is very mandatory.

As members know, last year a Niagara man was convicted of human trafficking. He earned \$350,000 off a 15-year-old girl over the period of two years. He only received three years and received a credit for 404 days of time already served.

These mandatory minimum sentences for trafficking of children are of paramount importance here in Canada.

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

* * *

●(1010)

IMMIGRATION AND REFUGEE PROTECTION ACT

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.) moved for leave to introduce Bill C-269, An Act to amend the Immigration and Refugee Protection Act (victim — trafficking in persons).

She said: Mr. Speaker, this bill would amend section 24 of the Immigration and Refugee Protection Act by adding subsection (3).

It is important to underscore one aspect of this subsection. With this amendment, an immigration officer would no longer be able to take into account the possible participation of a victim of trafficking in persons in a criminal investigation or proceedings in respect of that criminal offence.

I will explain why I am proposing this. Currently under the legislation, when a person is a victim of human trafficking, the immigration officer takes into account whether the alleged victim will collaborate or not in a criminal investigation into the criminal offence. The problem, however, is that many of these victims are so traumatized that often they do not have the physical, psychological or mental ability to participate in an investigation or possible criminal proceedings.

I hope this bill will enjoy the support of my colleagues. I may say that those organizations, NGOs in Canada that work on this issue, are very supportive of this amendment.

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

* * *

[*Translation*]

ELECTORAL BOUNDARIES READJUSTEMENT ACT

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.) moved for leave to introduce Bill C-270, An Act to change the name of the electoral district of Notre-Dame-de-Grâce—Lachine.

She said: Mr. Speaker, the purpose of this bill is to change the name of the electoral district of Notre-Dame-de-Grâce—Lachine to Notre-Dame-de-Grâce—Lachine—Dorval. I have introduced this bill in each new parliamentary session since 2004, when Dorval was added to my riding, but the Electoral Boundaries Commission has refused to add the word “Dorval” despite the municipality's request and despite petitions from voters in the entire riding. This is the fourth or fifth time I have introduced this bill. I am doing this at the request of a large number of my constituents from Dorval as well as Lachine, Montreal West and NDG who are asking that Dorval be added.

I hope that all members will support this bill.

Routine Proceedings

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

[English]

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[English]

TEXTILE LABELLING ACT

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.) moved for leave to introduce Bill C-271, An Act to amend the Textile Labelling Act.

She said: Mr. Speaker, my bill would require labels on clothing to include a reference number that consumers could use to identify the name and address of the factory where an item of clothing was produced. This measure has been highly recommended by a number of advocacy groups, including the Ethical Trading Action Group and Amnesty International.

If the bill passes, Canadians would have access to even more information when making their purchases.

For those of us who believe that under no circumstances should we benefit from the exploitation of workers in poor countries, knowing exactly where a piece of clothing was produced will allow us to vote with our feet by refusing to buy clothing made in factories where conditions are unacceptable.

According to Amnesty International and the Ethical Trading Action Group, if the public knows exactly where products are being manufactured, businesses will then have to self-regulate for fear that civil society will use this new tool to publicize the names of the companies responsible for unfair employment practices.

I hope the House will support this private member's bill.

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

* * *

•(1015)

[Translation]

MATHIEU DA COSTA DAY ACT

Hon. Marlene Jennings (Notre-Dame-de-Grâce—Lachine, Lib.) moved for leave to introduce Bill C-272, An Act to establish Mathieu Da Costa Day.

She said: Mr. Speaker, it is an honour for me, as a Canadian and a Quebecker of African descent, to introduce this bill, which would make every first Monday of February Mathieu Da Costa Day. For those of my House colleagues who may not have heard of him, Mathieu Da Costa was an interpreter. He is credited with being the first black man in Canada and was likely an important player in European exploration of the continent. Da Costa is believed to have worked alongside both Pierre du Gua de Monts, a leader in the establishment of French settlements in eastern Canada, and Samuel de Champlain, who selected the site for the settlement that later became Quebec City. As we all know, Quebec City is celebrating a major milestone: its 400th anniversary.

I hope that I can count on my colleagues' support in passing this bill.

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

COMPETITION ACT

Mr. Brian Masse (Windsor West, NDP) moved for leave to introduce Bill C-273, An Act to amend the Competition Act and the Canadian Environmental Protection Act, 1999 (right to repair).

He said: Mr. Speaker, I am proud to bring forward a bill that I believe all members can support. It is the right to repair bill and it looks at two different acts: the Competition Act and the Canadian Environmental Protection Act. This bill is important because of the changes in the auto industry with regard to on-board diagnostic equipment. That change has led to a number of different servicing requirements that are necessary yet difficult to obtain.

I would point out that the Canadian auto industry is not alone in terms of the consequences of this bill. Similar legislation in the United States and Europe has adapted different techniques to deal with the fact that the new types of technology create problems for people and consumers who service their vehicles. Hence, this bill would allow the proper process and procedures so that independent automobile associations can procure the data, tools and materials necessary to fix vehicles.

It is important for competition as well as for the environment. That is one of the reasons why Pollution Probe and the Canadian Automobile Association are supporting this bill. I would suggest that all members of the House get behind this bill in order to have a good, progressive change that will protect Canadian jobs.

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

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INCOME TAX ACT

Mr. Brian Masse (Windsor West, NDP) moved for leave to introduce Bill C-274, An Act to amend the Income Tax Act (tax credit for gifts).

He said: Mr. Speaker, this bill would amend the Income Tax Act and provide for greater donations and return for those individuals who give to the not for profit sector, charities, organizations and groups. In particular, the proposed bill mirrors the political system, where for the first \$1,275 that a person gives, charities will be able to issue a greater tax break back to the middle and lower income earners, who will get a better return. It treats the system fairly.

This is a significant change that would help the industry. The charitable industry sector is around 8% of the Canadian economy. It employs two million people in great causes, everything from seniors to children, universities and colleges. I would request that all members support this bill. It is important for economic stimuli. It is ironic that the last two budgets passed by this Parliament, the Conservatives actually reduced the amount of charitable tax one gets back as an individual Canadian citizen.

Routine Proceedings

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

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PATENT ACT

Mr. Brian Masse (Windsor West, NDP) moved for leave to introduce Bill C-275, An Act to amend the Patent Act (infringement of a patent).

He said: Mr. Speaker, drug prices are rising quickly in Canada and although our drug prices are still lower than some other OECD nations, ours are rising faster than all those other countries. For example, drug costs have increased by close to 300% between 1985 and 2000.

We would actually mirror a system that has been changed in the United States. We would stop the automatic injunctions right now, where generic drugs are blocked to get on to the market; something that even President Bush fixed over in the American system. That just shows members how extreme the Canadian model is right now. We are behind the Bush administration in terms of changing and protecting its consumers in the United States.

I would ask that this government support this bill, so that we can make sure that drug costs are brought to bear and we can actually put money toward our health care system in a better and more efficient way.

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

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• (1020)

WORKPLACE PSYCHOLOGICAL HARASSMENT PREVENTION ACT

Mr. Brian Masse (Windsor West, NDP) moved for leave to introduce Bill C-276, An Act to prevent psychological harassment in the workplace and to amend the Canada Labour Code.

He said: Mr. Speaker, it is a pleasure to rise and introduce this bill, an important bill that would deal with psychological harassment in the workplace. This bill would fill a gap in that there would be operations as well as procedures put in place to protect workers from psychological harassment.

We have seen a number of cases across this country where workers have been intimidated. This bill would correct that by providing the proper justice to the file and making sure that there are penalties for those who perpetrate this type of crime on individuals in the workforce.

This is my second attempt to table this bill. I would also note that the provincial NDP is supporting a similar bill in the Ontario legislature and Saskatchewan has already passed this law. This would make it uniform across the country.

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

* * *

PETITIONS**SRI LANKA**

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I am pleased to present a petition signed by many people in my riding and across the

GTA who are calling on the Government of Canada to pressure the government of Sri Lanka not to deny its Tamil population food, shelter, medicine and other fundamental necessities; to allow the UN and other international relief agencies access to the areas affected by the conflict and to stop shelling and bombing civilian habitats, hospitals, schools and places of worship; and to take active and concrete measures by providing leadership to convince the international community and agencies to allow an international UN observer panel to monitor the human rights violations and bring the perpetrators to justice as recommended by the UN High Commission for Human Rights and the Governor General of Canada. Regarding the terrible humanitarian crisis that is happening in Sri Lanka today, the petitioners are calling on the Government of Canada to take action.

INTERPROVINCIAL BRIDGE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I rise to table a petition. This one is from constituents of Ottawa—Vanier as opposed to the other ones that I have tabled every day since the start of this session of Parliament, which were from the National Capital Region.

The petition is concerning the necessity of a new bridge to allow for the movement of heavy trucks to be relocated outside of the heart of the nation's capital. In particular, the petitioners wish the government to instruct the National Capital Commission to proceed with a detailed assessment of an interprovincial bridge linking the Canotek industrial park to the Gatineau airport which is option seven of the first phase of the interprovincial crossing environmental assessment.

ANIMAL CRUELTY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I have a number of petitions here. The first one is a stop animal cruelty petition. The petitioners ask that the Criminal Code be amended so animal cruelty becomes a crime that is much more significant. To this day a number of different animal abuses have taken place, including in my constituency of Windsor West where there has been basically no justice brought to bear. The petitioners ask that this be changed and that there be more respect with regard to animal cruelty in this country.

• (1025)

DARFUR

Mr. Brian Masse (Windsor West, NDP): The second petition that I have, Mr. Speaker, is a petition to act on the humanitarian catastrophe in Darfur. The petitioners call upon the Government of Canada to engage the international community in whatever way is necessary to end the atrocities. Each signature in the petition represents 100 innocent citizens of Darfur who have been killed. I thank those petitioners who have gone out of their way to make sure this petition goes forward.

CHARITIES

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I have another set of petitions that support my attempt to change the tax charity act. This is a bill which I have reintroduced this morning. It calls on amending the tax charity act.

Right now about 8% of the economy is in the charitable industry, but it has received no benefit, including no economic stimuli in the recent budget. In fact, we have actually reduced the amount of charitable donation one can deduct as a citizen in the last two Conservative budgets. Thousands of people are supporting this change.

EMPLOYMENT INSURANCE

Mr. Brian Masse (Windsor West, NDP): I have another petition, Mr. Speaker, with regard to employment insurance.

It is a very timely petition, given the fact that the budget did not act on improving EI accessibility for workers across the country. In fact, not a single new person will be able to access employment insurance. All the government is proposing to do is extend the benefit weeks by five weeks.

The petitioners are asking that EI be reformed so that claimants would actually get 55% of their benefit back and there would be greater eligibility. They particularly note that \$54 billion was taken from the employment insurance fund and not returned to workers and that is outright theft.

ANIMAL CRUELTY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I have another petition with regard to stopping animal cruelty.

There are hundreds of people who have asked for the animal cruelty act to be changed. We have a number of situations not only as I mentioned in Windsor West but also across the country where animals have been cruelly treated and where there has been no justice on the file.

A number of times Parliament has tried to correct this but it has not come to full fruition, so the petitioners are asking that the Criminal Code be amended so there will be greater justice regarding animal cruelty.

WESTERN HEMISPHERE TRAVEL INITIATIVE

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I have another petition with regard to the western hemisphere travel initiative.

A number of petitioners living across different regions of Ontario and the country are being affected by the new implementation of passport requirements for travel to the United States. It affects our economy, tourism and trade. The petitioners are asking the Government of Canada to be more assertive with regard to challenging this initiative by the United States, believing it will affect the social, cultural and economic well-being of Canadians and Americans.

The Budget

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from January 28 consideration of the motion that the House approve in general the budgetary policy of the government, of the amendment and of the amendment to the amendment.

The Deputy Speaker: The hon. member for Alfred-Pellan has six minutes left.

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, it is a bit of a pity to cut a presentation into two parts. However, I will recap for the benefit of my colleagues here this morning what I said yesterday. I pointed out that, given the spirit of openness shown by the current government in this economic context, and in particular given the fact that the government had recognized Quebec as a nation just two years ago, I had expectations of considerable openness from this government with respect to recognizing the demands of the Government of Quebec.

The main demands related to the equalization formula. The Government of Quebec is opposed to the changes to this formula, because it stands to lose \$1 billion as a result. It is also opposed to the formation of a single pan-Canadian securities regulator, because Quebec wishes to retain its own securities commission. Since Quebec sees this as a cultural issue as much as one of economic control, it would be important for the government to recognize these demands by the Government of Quebec.

I will now move on to the rest of my speech in greater detail. Following on what I said yesterday, I wish to state that we regret that the bulk of workers who lose their jobs will continue to have no access to employment insurance, according to what was presented in the budget this week. Older workers are again marginalized, because there are no measures for them.

As for the fiscal imbalance—to which I have already referred—Quebec stands to lose \$1 billion, up to \$2 billion next year, according to the forecast. Quebec will therefore sustain losses with respect to health, education and family policy, all under provincial jurisdiction in our parliamentary system, as we know. In addition, the Conservative government is making a gift to Ontario with its calculation of the dividends from Hydro One compared to those from Hydro-Québec. Quebec will therefore lose an additional \$250 million in equalization.

The Budget

Culture is one of the essential elements of the Quebec nation. Many Quebec cultural troupes take Quebec culture around the world and their substantial performance incomes benefit the entire Quebec economy. The Conservatives' refusal to eliminate the announced cuts to culture—a sector of such importance to the economy—will continue to mean suffering for all of the regions of Quebec, as will their refusal to backtrack on the cuts inflicted on economic development bodies. We will get back to that point, because a great deal has been said about it already recently, yet this week's budget does not touch upon it at all.

I would also like to point out that this Conservative budget is contrary to the Kyoto accord and thus contrary to the economic interests of Quebec and of the environment.

This budget contains some questionable ideological choices. Overall, the budget is clearly lacking, and it is hard to imagine what would have happened if the Conservatives had a majority, because we expected that the government would make concessions in response to demands from the different regions. Even though this is a minority government, it ignored those demands.

he tax cuts are not targeted. A family earning \$150,000 will get more than a family earning \$40,000. These tax cuts will 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 amounts to putting ideology before the economy.

As for social housing, the Conservative government is injecting \$2 billion into social housing, but most of that money will go to renovations, while very little will go to building new units. Quebec alone needs an additional 52,000 units, according to one social housing agency.

•(1030)

In July 2007, in my own riding, having received the support of the voters in Saint-Vincent-de-Paul, I asked the Minister of Public Safety to take action in response to calls to revitalize the former penitentiary in Saint-Vincent-de-Paul. The government owns this building and could have converted it into new social housing. But there is no mention of this project in the budget. I would remind this House that the Canada Mortgage and Housing Corporation has an \$8 billion surplus, but the government is not using one cent of that money in its budget for new housing.

The government should have used the budget to adjust the guaranteed income supplement so that low-income seniors in dire need could at least reach the poverty line. Clearly, this is an oversight. If only seniors were provided with additional income to bring them up to the poverty line, they would spend money, which would be injected into our economy and not lost.

Our party will be voting against the budget, as members know, for very good reasons.

[*English*]

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, before I begin, I want to let you know that I will be splitting my time with the hon. member for Edmonton—Sherwood Park.

It is with great pride that I stand in the House today to speak in support of budget 2009. The people of Nunavut have shown faith in me by electing me to the House and I would like to take this time today to outline how our government has shown faith in them with budget 2009.

I am humbled every day that I am given the opportunity to serve as their member of Parliament and to be their voice in Ottawa. In my home territory of Nunavut, across Canada's north and, indeed, across the country, we are in the midst of a period of great change. We must not be spectators to this change but instead shape the future by doing the right thing for people who elect us to this place.

A synchronized global recession is hitting every economy in the world. Canada, as a great trading nation, is feeling the effects. In the last election campaign, the voters of Nunavut elected a Conservative MP to serve in a Conservative government. This government was elected to lead the country through a global recession, and we are keeping that promise.

Two days ago, my colleague, the hon. Minister of Finance, delivered Canada's economic action plan. It is our plan to stimulate our economy to protect Canadians through the global recession and to invest in our long-term growth. These are the priorities of Canadians and they are the priorities of this government. This plan was built upon one of the broadest and deepest consultation processes in Canadian history. We listened carefully to the concerns of Canadians about their jobs and their savings, about their families, businesses and their communities. We heard their concerns and we took their advice. Now we are taking immediate action.

I would like to turn to infrastructure for a minute as this is one of the cornerstones of our economic action plan.

As Canadian families are taking steps to build infrastructure in their own homes, we are taking actions to build infrastructure across the country. We know that getting shovels in the ground today will create jobs for Canadians now, while providing the framework for Canada to grow upon in the years to come. We are building and renewing our municipal territorial infrastructure, our post-secondary research and health infrastructure and our key federal assets. The money will flow quickly and we will get the shovels in the ground quickly.

For communities like those in Nunavut, it will mean real benefits: more people working, more people selling their products and a better quality of life. We are talking about the infrastructure that people generally identify with such as roads, bridges, water and sewer systems. However, we are also talking about the recreational side of infrastructure.

The budget introduced recreational infrastructure Canada that would provide \$500 million to support construction of new community recreational facilities and upgrades to existing facilities across Canada.

The Budget

In addition, I am proud to say that Nunavut won big in budget 2009 through the following projects.

First, the budget commits up to \$17 million to accelerate the construction of the Pangnirtung small craft harbour.

Second, an additional \$100 million over two years to support renovation in the construction of new social housing units in Nunavut has been committed in the budget.

Third, the Piqqusilirivvik cultural facility in Clyde River will receive funding from the building Canada fund on a priority basis.

Finally, Nunavut will receive its fair share of the \$87 million, over two years, to invest in maintaining or upgrading key existing Arctic research facilities.

For those Canadian families that will face job losses, we will take immediate action. Supporting Canadians in the short-term when they face a job loss is important, but it is equally important to help them find new long-term job prospects.

We are strengthening employment insurance with new benefits and increased availability of training for those who lose their jobs. For example, we will extend work-sharing agreements by 14 weeks, to a maximum of 52 weeks, so more Canadians can continue working. For two years, all regular EI benefits entitlements will be extended for five extra weeks. We will also increase the maximum benefits duration from 45 weeks to 50 weeks.

• (1035)

To prepare those who have lost their jobs for better jobs to come, our economic action plan increases funding for training delivered through the EI program by \$1 billion over two years.

Our measures will also extend to those who do not qualify for EI. They will help young Canadians find summer jobs, support older workers and their families through the targeted initiatives for older workers, respond to skilled labour shortage by giving financial help to apprentices to complete their training and to continue our support for a national foreign credential recognition framework.

During a global recession, some communities face unique challenges, especially if they rely on a single industry to drive their economies. Canada's economic action plan takes this into account. It creates a two year community adjustment fund worth \$1 billion to help those communities diversify their local economies.

With regard to specific sectors of the economy, we are offering targeted support for a wide range: industry, forestry, manufacturing, tourism, agriculture, mining, shipbuilding, fisheries and the automotive industry. All of this targeted help will help our economy in Canada and in Canada's north.

Canada's economic action plan gives a shot in the arm to the home construction and home renovation industries, both key drivers of our economy. It allows first-time home buyers more flexibility to withdraw from RRSPs to make their purchase and gives them a break through a tax credit on their tools and costs.

Our plan also includes a new measure to let Canadians invest in the value of their homes, while putting trades people to work and giving a boost to those businesses that make and sell building

products. For the next two years, a new home renovation tax credit will apply to the cost of labour and supplies and can save Canadians up to \$1,350 when they improve their homes.

We are taking action to help families and stimulate consumer spending. Nunavut families deserve more money in their own hands to meet their own needs. Our Conservative government has made that principle a cornerstone since we took office.

Our record of tax relief is substantial and it is providing stimulus to Canada's economy as I speak. Canada's economic action plan builds on this. We are giving more tax relief, letting Canadians earn more money before paying higher taxes. We are building on the benefits that exist for low income Canadians. This is of particular importance to many citizens in my communities. The working income tax benefit is being increased as an added incentive for Canadians to join and remain in the workforce.

Seniors will see new support. We are increasing the age credit amount by an additional \$1,000. We are also reducing the amount Canadian seniors are required to withdraw from their registered retirement income fund by 25% for 2008.

The bottom line is this: this year and over the next five years, our personal income tax measures will put about \$20 billion back in the hands of Canadians and back in the Canadian economy to keep it moving forward.

Let me be very clear. This budget is the best one I have seen for Nunavut and Canada's north. It commits more money for housing, jobs and new infrastructure. All of this will help to improve the quality of life of northerners.

The budget comes after extensive consultation from the Prime Minister, the Minister of Finance and other federal ministers, all of whom travelled from coast to coast to Arctic coast to hear from thousands of Canadians. I personally met with the territorial premiers and health ministers and with many of my constituents. I am pleased that the economic stimulus package reflects what I have heard from my constituents.

Nunavut will continue to receive historically high and growing federal transfers in 2009-10 that will total \$1.1 billion. This is an increase of \$125 million from last year. This long-term, growing support helps ensure that Nunavut has the resources it needs to provide essential public service and to build our territory into the great jewel of Canada, which I believe Canada's north is destined to be.

The Budget

I have already mentioned that the budget strengthens support for economic activities in the north with \$50 million over five years to establish a new regional economic development agency specifically for the north. Nunavut will receive its fair share of the \$140 million set aside over five years for strategic investment in the northern economic development program.

The budget also commits much needed funding for social housing in Nunavut. In addition, Canada's government will improve Arctic research facilities and will accelerate the construction of the Pangnirtung harbour.

• (1040)

In conclusion, Canada's economic action plan meets the challenges of our time. It is a balance between stimulating our economy for the short term and building our capacity for the long term. This is especially vital in Nunavut and Canada's north. It is a balance between putting money back in the hands of Canadians and creating new investments. It is a balance between the unfortunate reality of a short-term deficit and the principle that we will not burden our children and grandchildren for today's—

The Deputy Speaker: Order. I am afraid the hon. member's time has expired for the speech portion. We will move on to questions and comments with the hon. member for Yukon.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, as a fellow northerner and as the official opposition critic for northern issues, I welcome the member to Parliament.

I have a couple of questions, so she may want to get out her pen to write them down. While she is doing that, I hope she appreciates the inukshuk I am wearing today and also my sealskin vest on the 10th anniversary of Nunavut. It is a great day for the people of Nunavut.

My first question is related to the Arctic research facilities. The \$85 million for rehabilitating Arctic research centres is fantastic. She said that Nunavut would get a fair share of that money. The way the budget reads it is a competition for those funds. Why is it on a competitive basis? Why not just allocate it to the excellent Arctic research facilities across the north? How can she confirm that Nunavut will be getting a fair share if it is on a competitive basis? It may get all or none.

My second question is related to northern housing. It is a good item in the budget. For my riding there is \$50 million. The last time this was done, there was a problem because a large percentage of the money, if not all of it, was for aboriginal people but it was not given directly to them. It was given to the territorial government. People were upset about that. I was wondering how much of that—

• (1045)

The Deputy Speaker: Order. The hon. Minister of Health.

Hon. Leona Aglukkaq: Mr. Speaker, in terms of northern housing, the member started to ask his question but did not complete it.

In terms of Arctic research, it is a competitive process. There are Arctic research facilities in Nunavut. Nunavut will be competing for the funding like any other agency that is established in the north.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I want to welcome the minister to the House and also recognize the 10th

anniversary of Nunavut, which is an exciting occasion for Canadians to acknowledge.

My question for the minister is about a very serious issue. I am sure she was concerned today when she saw the article in the *Globe and Mail* that says that a key science agency in Canada has been left out of the budget. Genome Canada, which is responsible for some of the most significant and ongoing medical research, the most extensive and largest medical research projects in Canada, was completely ignored in the budget. In past years it received funding, and in fact last year, it received \$140 million in research funding.

This is very important research to many Canadians. It is very important for health research, for instance. It allows Canada to participate in international work that is being done in genetic research and yet this funding has not come through in the current budget. There is concern for the ongoing work of the agency and the jobs of scientists and researchers who are associated with Genome Canada.

I wonder if the minister could tell us if this was just an oversight. Is there money flowing to Genome Canada? Why was Genome Canada not mentioned in the budget?

Hon. Leona Aglukkaq: Mr. Speaker, I invite everyone in the House and anyone listening to travel to Nunavut to celebrate the 10th anniversary of the territory. It has accomplished a lot in the last 10 years as a new territory in this country.

In terms of the question, Health Canada and the federal government invests over \$1 billion in research. CIHR receives about \$1 billion. Just a few weeks ago I was in Toronto announcing a \$32 million investment in research. Any research organization can apply for funding.

[Translation]

The Deputy Speaker: The hon. member for Verchères—Les Patriotes has time to ask a very brief question.

Mr. Luc Malo (Verchères—Les Patriotes, BQ): Mr. Speaker, last fall, my colleague from Beauharnois—Salaberry wrote to the Minister of Health to ask what was happening with the Community Action Program for Children (CAPC), which provides assistance to families.

I would simply like to ask the minister if funding for CAPC will be renewed for this year, and if a long-term plan is in the works to support that program.

• (1050)

[English]

Hon. Leona Aglukkaq: Mr. Speaker, I am not sure to which program the member is referring. There is a huge number of programs funded by Health Canada, the Public Health Agency of Canada and CIHR. It is difficult to identify the exact program to which the member is referring based on his question.

The Budget

Mr. Tim Uppal (Edmonton—Sherwood Park, CPC): Mr. Speaker, Canada's economic action plan is a multi-year plan designed to stimulate the economy while protecting Canadians who are affected most by this economic crisis. This plan is the right choice for Canada because this government undertook the most comprehensive prebudget consultations ever.

We launched an open and public discussion with the people of Canada. We held public town hall and round table meetings across the country, met with government leaders from all provinces and territories, and established a non-partisan economic advisory council of eminent Canadian business leaders for advice on the budget and on the economy in the coming months ahead.

The finance minister and Prime Minister consulted with business leaders, economists, academics, industry leaders, labour organizations and business chambers across Canada. These measures allowed this Conservative government to have an in-depth understanding of what is needed to help Canadians through this economic crisis.

I am honoured that I had the opportunity to meet and consult with the people of my riding of Edmonton—Sherwood Park and Fort Saskatchewan. I met with workers, families, small business owners, the chamber of commerce, students and seniors. They all shared their concerns and ideas. I listened to them and brought these ideas and concerns to our caucus and to the Minister of Finance.

Workers were concerned about losing their jobs. Business owners told me that they were most concerned about access to credit. If businesses cannot get credit, they cannot continue to function. Families were concerned with their savings and paying their bills. Students were concerned about finding work once they were finished their education. Seniors were concerned about their own personal finances. These were just a few of the concerns expressed to me.

I am honoured to say that I can now go back to my constituents with pride. Our Conservative government is helping Canadians in this time of economic difficulty. This economic action plan is exactly what Canada needs in so many ways.

In this time of economic hardship, the Conservative government of Canada is reducing the tax burden to help those hit hardest by the downturn. This government stands by its belief that the best place for people's money is in their own pockets. That is why across the board this government is helping people maintain their earning power, pay fewer taxes, and regain the confidence they have lost.

While the crisis did not start in Canada, this Conservative government is acting to help Canadians affected by it.

We are increasing the basic personal amount that all Canadians can earn before being forced to pay income tax. For those with the lowest earnings in the country, those struggling to scrape by, this will allow them to earn more money before they are taxed. We have also raised the upper limit of both the lowest tax brackets. Those who have seen their earnings decline because of the economic slump can rest assured that the government is acting directly to aid them. These tax cuts will help the people immediately. There will be no need for Canadians to wait for funds to trickle down. They will feel the impact of this action plan right away.

This government has created other measures to help those in our society who are rendered vulnerable by the economic downturn.

We have increased the age credit by \$1,000, benefiting 2.2 million seniors. Combined with the other measures we have instituted for seniors, such as pension splitting and the increase in the pension income credit, the Conservative government has ensured that it will support seniors during this recession. These measures for seniors, when put together, provide almost \$2 billion of aid to the seniors of Canada.

We propose in this plan to nearly double the working income tax benefit, ensuring that those who decide to work and contribute to the economy are never punished financially for their actions.

I believe the greatest stimulus is to give the people of Canada their money back and let them decide where and how to spend it.

Members of the NDP have made it clear that they do not think that the people of Canada deserve this money. They have made it clear that they desire to keep taxes high, even in the midst of a recession. They have made it clear that they do not want to support businesses. They have made it clear that they do not want Canadians to get back to work. The leader of the NDP decided to oppose this budget before he even knew what was in it.

The Conservative government knows that, if given the support they need, the Canadian people can and will overcome the challenges that our nation faces.

• (1055)

We know that during trying economic times the Canadian people represent our greatest strength. We know that ultimately this government is responsible to Canadians and that it is the Canadian people who have allowed us to be here and who have given us the mandate to work together to help them get through this economic crisis affecting the entire world.

The solution for Canada is the economic action plan this government has put forward. This economic action plan will create opportunities across the country.

We will not mince words. The next couple of years will not be easy. While deficit spending is not comfortable for any of us, we have to be responsible and act. There is no room for political manoeuvring when Canadians' livelihoods are at stake.

That is why I am pleased this budget has shown both forethought and planning. We will see our nation return to balanced budgets within about five years. This action plan has the right combination of protection for Canadian workers and training for their future to bring us into prosperity once the economic seas have calmed.

This economic slump is a period of transition for our nation. That is why we are working to provide learning and training opportunities.

The Budget

Our Conservative government spent almost \$2 billion on training because we believe that Canadians who seek a new job, a new career and a new life for themselves and their families should be able to count on the Government of Canada.

We will spend \$500 million over two years on a strategic training and transition fund to ensure that it is not only those who benefit from EI who have access to training. We will invest \$50 million into our future by helping young Canadians find summer jobs. We will address the shortage of skilled workers in our nation by launching a \$2,000 apprenticeship completion grant.

Finally, we will fulfill the dream that has brought so many people to Canada from other countries, including my own parents: the dream of a better life for themselves and for their children. Through partnerships with the provinces, this government is committed to developing a national foreign credential framework. Highly skilled immigrants can come to Canada knowing that the value of their education will be recognized here.

The renovation tax credit in the action plan will impact an estimated 4.6 million Canadian homeowners and will allow our families to improve their homes. By implementing a temporary home renovation tax credit, our Conservative government will be benefiting homeowners in Alberta for up to \$338 million over two years. The temporary nature of this credit will provide an immediate incentive for Canadians to undertake new renovations or to accelerate planned projects.

These renovations will add to the growing green economy, allowing the people of Edmonton—Sherwood Park and Fort Saskatchewan to purchase energy efficient appliances by providing \$300 million over two years to the eco-energy home retrofit program. Our government is expecting to support an additional 200,000 energy-saving home retrofits that will be kind to the environment and will keep more money in the pockets of Albertans.

Given these troubled times, our government recognizes the undue strain placed on first-time home buyers and the negative effects it directly places on their future aspirations. Our Conservative government is providing a first-time home buyers' tax credit that will provide tax relief to those families looking to purchase their first home. In addition, we will increase the amount that first-time home buyers can withdraw from their RRSPs to purchase a home.

Small businesses are the foundation of our economy. Our Conservative government understands the immediate action that must be taken to support businesses within our communities. Our dedication to sustaining strong, competitive businesses will not only create revenue for Albertans and Canadians alike, but will also stimulate jobs and investment.

We are dedicated to increasing access to financing for small businesses through proposed amendments to the Canada small business financing program and the Business Development Bank of Canada. In addition, we are increasing the amount of small business income eligible for the reduced federal tax rate of 11% to \$500,000 from the current limit of \$400,000 as of January 1, 2009.

In the consultation process for the budget we heard loud and clear that Canadian financial institutions have been less willing to lend to credit-worthy Canadian families and businesses. The Canadian

secured credit facility will be created, with an allocation of up to \$12 billion to support the financing of vehicles and equipment for consumers and businesses. This measure will also help the auto industry to increase sales, as they have been hit particularly hard by this recession.

● (1100)

With access to financing, Canadian families can continue to make the purchases that keep the economy moving ahead. It will be easier for people to get car loans. Businesses will be able to purchase new equipment, invest in their operations and grow in the future.

Once again, I am proud to be a member of this party and this government, a government that has put this country and its citizens first, ahead of all party politics. This is an economic action plan that will help our entire nation move forward to create jobs, hope and prosperity. This is an action plan that will bring our economy in from the cold and support the Canadian work force.

I am pleased to see that it has gained the support of the official opposition and I applaud their decision to put the Canadian people before politics.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I have listened carefully to the member's speech, and he has done a pretty good job of running through the index of measures in the budget. I am not sure he has actually completed the list; there are so many measures in this budget that one actually does need an index to go through it.

I am not sure that every measure in that budget is as stimulative in impact as the suggestion is here. Two items pop out.

The member could not resist his party's neo-con desire to give tax money back to the taxpayers. I am not so sure that economically that item is a stimulus. He could not resist mentioning it, which is okay.

However, there is a second thing I want to ask about. The member mentioned that the increase in the income tax personal amount would result in a tax saving to the lower-income Canadian taxpayer, but is it not a fact that the personal amount is claimed by every taxpayer, even the Prime Minister? The Prime Minister has a tax break that is similar to, or better than, the poor person's. I am going to ask the member why he did not mention that upper-income Canadians have tax breaks as good as, or better than, the one he has just somewhat myopically described.

Was it the government's intention to give a better tax break to the high-income earners than to the poor? That is exactly what this budget contains.

As for my party's alleged support for this budget, we are going to squeeze the budget through. We are going to make it fit. We are going to put the round peg through the square hole so that Canada benefits, but the government is on probation.

Mr. Tim Uppal: Mr. Speaker, regarding the hon. member's first comments about tax breaks, I fully believe, and I know this government does as well, that giving money back to Canadians is one of the best ways to stimulate the economy. We should allow Canadians to decide where to spend that money. We believe in Canadians.

The Budget

As for the lowest tax amount, we have raised it, which benefits those who need it the most. We have also invested in social housing. This government is committed to helping those who most need the help.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, I have a couple of questions for the member from the government's side.

I also did a lot of consultation during the prorogation of Parliament. The people I spoke to were concerned about a lot of things. I am going to raise a couple of their concerns here today.

First, I would like to know why the budget, allegedly supported by the Liberals, does not include the elimination of the two-week waiting period for people applying for EI. As members know, during that two-week period people still have to pay their mortgages. They still have to pay for their hydro, and the kids still get hungry.

My second question concerns reducing the number of hours to qualify for EI, something else my constituents brought up. A couple of weeks ago I had someone in my constituency office who was missing seven hours to be eligible for EI. I would like to know why the Conservative budget, supported by the Liberals, did not include reducing these hours.

• (1105)

Mr. Tim Uppal: Mr. Speaker, the government finds it very important to support those who have lost their jobs. To do so we have increased EI by five weeks. We feel this extension will be very helpful in supporting those people. We had done consultations on this matter, and we felt this was the best way to support those people who have lost their jobs.

Ms. Kirsty Duncan (Etobicoke North, Lib.): Mr. Speaker, first I would ask the government how it can claim it is taking immediate action or that there will be little time for the money to trickle down, since we know that in September the government said there would be no recession and in October that there would be no deficit. A surplus was even predicted as early as November, despite Canada's having the second-worst-performing economy of the G8 nations for the first half of 2008 and despite losses of 105,000 jobs in the last 60 days.

Second, how can the government claim to be a good money manager, given that it inherited a \$12 billion surplus and now predicts a \$64 billion deficit?

Mr. Tim Uppal: Mr. Speaker, I think the hon. member forgets to note that this economic crisis was not created in Canada. It started in the U.S. and has gone across, and Canada has been affected.

This is one of the quickest budgets to come forward. It is a budget that will help Canadians. Money will flow. We have met with the provinces and have agreements in place to make sure that infrastructure money will flow. We have reduced red tape and we have eliminated the need to duplicate certain procedures—

The Deputy Speaker: Resuming debate. The hon. member for Don Valley East.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Mr. Speaker, I will be sharing my time with the member for Malpeque.

I am pleased to take part in this very important budget debate. Over the break I had the opportunity to consult with my constituents

of Don Valley East to discuss what they would like to see in the budget. They made it clear that a stimulus package must contain measures to protect the most vulnerable in our society, to secure the jobs that we already have, and to prepare Canadians for the economy of tomorrow. Small and medium size businesses wanted access to credit. Before I go into the details, I would like to review the events that led to this juncture.

Last November the Conservatives provided an economic and fiscal update that nearly led to the collapse of the federal government. By all accounts the speech delivered in the House by the finance minister on November 27 had been penned by partisan zealots in the Prime Minister's office with little or no consultation with officials in the Department of Finance. On hindsight it represented the greatest parliamentary boondoggle by a prime minister in Canadian political history. The government was then forced to withdraw its statement when a proposed coalition by the opposition parties nearly toppled the Conservatives. This process was only stopped by a last ditch effort by the Prime Minister when he shut down Parliament prematurely in order to regroup and buy precious time for the Conservatives.

It took this crisis for the Prime Minister to realize that in the midst of a recession it is highly inappropriate to play partisan games, especially at the expense of Canadians who are losing their jobs. In order to survive, the Conservative government has been forced to listen to the official opposition and produce an action plan for the Canadian economy.

In the economic statement of last November, the finance minister claimed that Canada would not be affected by the global economic downturn. He also claimed that Canada would not only avoid a deficit, but it would even generate a small surplus. Quite incredulous, it is not clear why the finance minister totally ignored the advice of his departmental officials or why he was completely oblivious to the signs that signalled both a recession and a potential for a deficit.

A mere eight weeks later, the Conservative government now admits that it is already \$16 billion in the hole, well before any stimulus package is even contemplated. That is why the Liberals are demanding greater accountability and so are my constituents of Don Valley East.

The people in my riding made it clear that the budget must protect the vulnerable in our society. They want their pensions protected. They want seniors to enjoy their retirement without fear of the future. They want retraining for the jobs that they have recently lost and better access to employment insurance benefits. They do not want the federal government to sell off public assets to cover for poor fiscal management. It makes no sense to hold a fire sale of public assets and sell at the lowest possible price during a recession.

The Budget

I know that it is not in the DNA of the Conservative government to invest in social housing, to expand both the working income tax benefit and child tax credit, or to take climate change seriously. However, I am pleased that after cross-country consultation by the new leader of the Liberal Party the government has finally conceded that a stimulus plan is urgently needed and has taken suggestions from the Liberals. This being said, Canadians are deeply disappointed by the economic performance of the government.

In 2006 the Liberal government handed over to the Conservatives a fiscally sound government and an unprecedented fiscal record: a \$13 billion surplus; the lowest inflation rate; the lowest unemployment rate; and the best economic record of the G8. In less than three years and against the advice of nearly every economist in the country, the Conservatives embarked on a reckless and irresponsible spending spree. Now the Conservatives have announced that Canada will run a \$64 billion deficit over two years. That is \$77 billion in the hole.

•(1110)

What does this mean for ordinary Canadians and my constituents, who want to ensure that the jobs Canadians have are value-added jobs? If we translate \$77 billion lost into value-added jobs lost, it is approximately 154,000 good jobs which are lost, jobs that pay well. Had the government been more prudent, it would have saved those 154,000 jobs. What would that have meant for the economy? It would have provided stimulus to the economy because the people in those jobs would be spending, contributing to the government coffers and avoiding bankruptcy.

To make matters worse, the Conservatives boasted that they paid \$37 billion off the national debt, which currently stands at approximately \$457 billion. Now the 2009 budget will wipe out that achievement. The current situation threatens to wipe out any progress of debt reduction achieved by the Liberals between 1998 and 2006. Servicing the national debt is the single largest federal expenditure. It eats up nearly a quarter of the federal expenditure and passes the burden along to future generations of Canadians.

Canadians demanded fiscal responsibility. That is why the Liberal Party is granting only conditional support for this budget. Some of my constituents are asking why the Liberal Party is choosing this path. The simple answer is that we just had a federal election only three months ago. I would rather that the \$360 million it costs to hold a federal election be spent on retraining workers, investing in infrastructure or helping new Canadians gain recognition of their academic credentials. Canadians want to see their country succeed. They want the government to apply the same principles of good government that the Liberals gave Canada from 1993 to 2006.

We all remember it was the Liberal government that ended the Mulroney era of deficit financing which almost drove the country into the ground and led the IMF to call Canada an economic basket case. The Liberals inherited a \$42 billion deficit in 1993 and successfully restored the country's finances by 1998.

We can succeed, but only if the Prime Minister can resist partisan impulses and concentrate on the economy, Canadians and jobs.

I would be pleased to answer any questions or comments.

•(1115)

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, it was very interesting to listen to the hon. member's comments and her rather fuzzy view of history. I seem to recall, when I look back to those dark, cold Liberal years, that \$54 billion was basically stolen from the EI program, from employers and employees, cuts in transfer payments for health and social services to the provinces, and a promise to abolish the GST which was quickly forgotten.

Moving to the recent history of our country for the three years that the Conservatives have been in government, what do we have now? Of the G8 countries, we are the only country that has run a surplus over the last three years. Every one of the other countries has run deficits in each of the last three years. The World Economic Forum has ranked our banking system as the number one most secure system in the world.

It is interesting to listen to the comments from the other side. The Liberals might remember that back when they were in government it was so long ago that their leader had not even lived in Canada at that point for 36 years. It was a long time ago.

Now we are in a situation where the IMF and the OECD are projecting that Canada will be the first country to emerge from this global recession stronger than other countries.

I would like to hear the hon. member's comments on those points.

Ms. Yasmin Ratansi: Mr. Speaker, I keep reminding the hon. member when he sits on the public accounts committee that he does not know accounting. If that is the way the government's economic brain thinks, we have to ensure that we really hold it to account.

Let us think about the \$13 billion surplus we left the Conservative government. If you do not have money in your pocket now and you are running into a \$64 billion deficit, how can you call yourselves an economically responsible government? You are living in la-la land and Canadians have to be extremely careful that they never elect you again because you have run them into the ground.

Talking about the fundamentals of banking, we listened to you guys wanting bank mergers and everything else. Talking about surpluses, it was the CPP that the finance minister wanted to raid. How can you prove yourselves to even be economically sensible?

Talking about the Liberal leader not living in this country, I can assure you that you have no foreign policy.

The Deputy Speaker: I would remind the hon. member for Don Valley East to direct her comments through the Chair and not directly to other members.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, listening to the last exchange shows how much respect the Conservatives have for the Liberal Party for propping them up. It is also lamentable that the Liberals expect they are going to get anything from the Conservatives. One sees that element coming out.

The Budget

I ask my hon. colleague, what specific tools are in the Liberal Party's amendment to actually change the government's actions? The suggestion that Liberals can kick the Conservatives out of office whenever they want is their own suggestion. It is not an actual fact in the amendment. Also, the amendment does not provide a procedure or opportunity to deal with issues later on. The Liberals are going to support the Conservatives unconditionally over the next number of months. The Liberals will eventually turn against the Conservatives but they will not have any mechanism to actually change things.

If she really believes in change and all the things the Liberals have been talking about, why not make a difference and change?

• (1120)

Ms. Yasmin Ratansi: Mr. Speaker, I can see where the hon. member is coming from. The specific tools available to any Canadian are the tools of democracy. The Conservatives will be booted out because they are not people who know how to manage an economy. They have been fudging the figures. They are \$16 billion in deficit even before starting the stimulus package.

We will hold them to account, but we all have to be responsible Canadians. The NDP wants to call another election and lose \$360 million, which could be used for retraining. This is what everybody is fighting for. They want a stimulus package and that \$360 million would be wasted money.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I welcome the opportunity to speak to the budget. I first want to thank my fellow islanders for their input at a joint town hall held between the MP for Charlottetown and myself. We appreciated islanders' input and we forwarded that on to our finance people, eventually to the finance minister. Some of that input did get considered and put in but, sadly, a lot of it did not.

I spoke on the economic statement just two short months ago and I have to ask this. On what planet were the Prime Minister and the Conservative Party just two months ago with the economic statement? The Prime Minister was in denial that his policies at that time were leading the country into deficit. Now we know we are in deficit, as my hon. friend said, to the tune of \$15.7 billion.

Is the Prime Minister still in denial today that his policies were leading our country into deficit and that his and the finance minister's statements during the election were to a great extent untrue? In fact, they were untrue.

In two short years the Prime Minister and his Minister of Finance have taken our country, Canada, and driven it not only to the brink of deficit, but into deficit. Worse yet, because of their spending and their inability to manage the fiscal capacity of the nation, they spent the cupboards bare and the reserves are not there anymore to do what has to be done when a country needs a stimulus package.

We should not be surprised. As we said in previous debates, that is the same Minister of Finance who drove the province of Ontario into deficit and it has been suffering as a result for decades since he was there. Now the same Minister of Finance has provided the same tragedy for Canada as a whole.

As my colleague said, this budget tries to cover up the fact that the government already has a deficit. Economists are saying there needs to be a \$30 billion stimulus package this year. The government is

saying it will have a \$34 billion deficit, leaving the impression that this is the stimulus package. On page 217 of the budget document, we find the government is already in a \$15.7 billion deficit because it could not manage the affairs of the nation.

Therefore, there really is not a \$30 billion stimulus package, there really is not a \$34 billion stimulus package, there is only a stimulus package of \$18 billion, which is not enough. I felt I had to draw out that fact. Even with the consequences and the trouble the nation is in at the moment, the government tries to cover up the fact of how it managed the economy in the past.

However, Canada needs an economic stimulus, jobs for today and jobs for tomorrow. One of the areas where we need them the worst is in the province of Prince Edward Island.

I am concerned that the equalization cuts announced by the government in this budget will hurt Prince Edward Island and the principle of the program for the long term is being undermined. Stimulus is needed even more now than it was in the past in those provinces that receive equalization.

Let us look at a few facts that relate to P.E.I. The government announced in its first budget the building Canada fund, which would provide P.E.I. with up to \$40 million over four years. However, after two years, only the existing programs, MRIF and CCIP, have been committed. Not one dollar has flowed from the Conservatives' building Canada fund, only political announcement. What we get from the government is mostly smoke and mirrors.

• (1125)

The bureaucratic red tape put on municipalities is of the Conservatives' making. No dollars have been spent, yet the government still runs deficits. Under the proposed new, if I could call it that, accelerated plan with its one-third requirements, it is very doubtful that municipalities and provinces could participate. Again, it would only be political announcements because they would not have the money to put in their share.

Prince Edward Island's fiscal capacity will be further reduced by the budget under the Conservative plan. Like all Atlantic provinces, P.E.I. would have their transfer payment increases, which were agreed upon in November, reduced by up to 50% by 2009-10. P.E.I. would have cuts to health care and social programming as a result of these federal decisions. At an economic time when we really need that money, the federal government is cutting back the funding. That will put the province in the position of having little fiscal flexibility to participate in any new spending for infrastructure, primary industries and skilled training.

Discussions are taking place on the community adjustments fund. As I understand it, there is not one dollar being considered for rural community stimulus. Not one dollar is being considered to stimulate agriculture, which is in real trouble. Not one dollar is being considered for innovative jobs for tomorrow. That is a huge problem.

The Budget

Agriculture seems to be the forgotten industry in this budget. The government's record, as we know from this file, has clearly been one of failure. However, in Prince Edward Island, for instance, the Conservatives announced crop loss payments of \$12.4 million. However, they set up a program that prevents farmers from receiving the money. With farmers facing bankruptcy, \$9 million is going to go back to the federal accounts. The program was very poorly designed.

I see the Minister of Agriculture is here. He announced a \$500 million agriflex program, which is something we committed to in the budget. However, the previous commitment was \$500 million for what could be considered companion programs over four years. Now, it is over five. When one looks at it, the \$500 million is not really \$500 million; it is only \$190 million because of the restructuring of existing programs.

We are seeing too much smoke and mirrors from that government. We need to get that money to the farm community. Worse than that, the agriflex program, as I understand it, will not apply to the RMP in Ontario or the ASRA program in Quebec. That creates huge difficulties for getting that money out appropriately to those farmers on the ground. The budget announced \$50 million for increasing the capacity of the slaughter industry. However, how is that going to be designed? Will it only go to the big packers, who already control too much of the industry, or will it go to the primary producers where it can do the most good?

In the budget, there is, in fact, credit availability and more money made to the Business Development Bank of Canada and Export Development Canada, which is a good thing. What about the Farm Credit Corporation? Farm Credit is more difficult to deal with than the lending institutions. There does not seem to be any increased money to that agency, nor a lessening of the credit conditions that would allow farmers to stay on the land.

Those points are very important, as they apply to the farm community. Much more needs to be done. In fact, I had a call today from a constituent in the minister's riding who was very concerned about the lack of response from the Minister of Agriculture on the beef and hog crisis in our country. It has been in disarray for two years and all the government seems to do is extend loans. We cannot borrow ourselves out of debt. We need some real actions that will put us on a comparable footing with our competitors in the United States.

The government's record is terrible and its word is often broken. This party, through our amendment, will hold it to account.

• (1130)

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I was interested to hear the hon. member for Malpeque complain about alleged cuts to transfer payments. If he had read the budget, he would know that transfers will not be cut back.

This is interesting. When we hearken back to the old Liberal days, and you may recall this, Mr. Speaker, the Liberals tried to balance the books on the backs of the provinces. They cut back transfers by a whopping \$25 billion. These were transfers for health, social services and education to the provinces.

Today we have one of the cheerleaders of Mr. Martin's act of cutting transfers complaining about alleged cuts in transfers in our

recent budget. How does the member for Malpeque justify that double standard?

Hon. Wayne Easter: Mr. Speaker, there is no double standard. A comparison could be made between success and failure, the success of the governments of Jean Chrétien and Paul Martin and the absolute, utter failure of the Prime Minister and that party, which has driven us into a deficit similar to the Mulroney times.

When we were in government, we put a solid foundation in fiscal capacity under our country. It is because your government spent the country bare by doing away with the reserves with absolutely stupid tax cuts in the GST. Every economist will tell you that—

The Deputy Speaker: Order, please. I remind the hon. member for Malpeque to address comments through the Chair, not directly at other members.

Questions and comments, the hon. member for Nickel Belt.

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, the member from the opposition mentioned the word "planet". I have a question for the member. The Conservative budget, supported by the Liberals, does very little for the people on EI. For example, it does not eliminate the two week waiting period. They have extended EI by five weeks, but a lot of people cannot get on EI because the Conservatives have not reduced the hours.

He also mentioned that the Conservatives did not do very much for agriculture. The Conservative budget, supported by the Liberals, also attacks women's rights. He also said that the budget was full of smoke and mirrors.

Because the hon. member asked the Conservatives about the planet, what planet were the Liberals on when they decided to support the Conservative budget?

Hon. Wayne Easter: Mr. Speaker, all the hon. member needs to do is look at the record. We Liberals had our feet to the ground and looked at the reality of the state of affairs globally and in our country.

Our party is being responsible. Our country does need stimulus. Yes, there is not enough in terms of the government proposals, and we know it. We too would like to have seen the two week waiting period at the beginning of a claim eliminated so people could receive EI immediately. We would like to have seen the conditions changed so they could draw EI easier, and some of those who cannot now, draw it. However, we have taken a responsible position and clearly, as we said, we can hold the government to account in what it has put forward.

As my colleague and my leader said, we are basically putting the government on probation. Maybe we can push the government collectively as the opposition, and we were able to work together previously, to improve some of the areas in EI and other measures.

The Budget

However, to take the irresponsible position that you are taking and put Canadians into more political turmoil for six weeks is not the proper way to go.

• (1135)

The Deputy Speaker: Order, please. I again remind the hon. member for Malpeque to address comments through the Chair. I know sometimes things get heated, but if we remember those Standing Orders, I think the debate will run a little more smoothly.

Resuming debate, the hon. Minister of State for Western Economic Diversification.

Hon. Lynne Yelich (Minister of State (Western Economic Diversification), CPC): Mr. Speaker, I am honoured to rise today to speak to budget 2009 and I will be splitting my time with the hon. member for Kitchener Centre.

The Prime Minister, the Minister of Finance, and all the members on this side of the House have talked about the importance of our budget, our economic action plan. But as Canadians know, this is more than just a budget. This is an economic action plan for Canada. This is a plan that will help us, together, weather the global economic storm and ensure our long-term prosperity for the future.

We presented Canadians with a bold, multi-year approach that will provide real support and real results for real Canadians.

The economic conditions that we find ourselves in are unprecedented. That is why our economic action plan responds to this reality and provides the stimulus our economy needs, the jobs our communities depend upon, and puts the money our families and our seniors deserve back into their pockets.

Let me briefly speak to a few specific aspects of our action plan that are particularly important to my responsibilities in western economic diversification.

Last week, I had the opportunity to visit three of our four western provinces. I saw first hand just how our government's investments are diversifying and strengthening our western economies for the future.

In Vancouver, I visited FPInnovations, a forest research institute that is changing the way forestry companies do business in order to stay competitive. FPInnovations is transitioning this important traditional sector for a stronger, more sustainable future. Jim Dangerfield, executive vice-president of FPInnovations, said, "So I...Minister, I really want to thank you and your government for your commitment to this, for your commitment to the forest industry".

Through innovation in wood products, creativity in pulp and paper, and with the support of our government, we are providing real solutions for our forestry sector challenges.

In Winnipeg, I visited the Composites Innovation Centre and a new Centre for Aerospace Technology and Training, both of which are creating a competitive edge for the aerospace and manufacturing sector.

By investing in centres like these, we are creating high paying, highly skilled jobs right here in Canada. What struck me most is that this new aerospace technology and training centre, in which our

government invested, will bring work back to Canada that is currently done overseas.

The Hon. Andrew Swan, Manitoba's Minister of Competitiveness, Training and Trade, said, "—we're looking very, very forward to having you back time and time again as you see the products of the tremendous partnership that we've extended, continued this morning".

In challenging economic times like the ones that face us today, these types of investments and partnerships are a key factor for job creation, job sustainability and job prosperity.

In Saskatoon, I proudly entered into a \$50 million western economic partnership agreement with the province of Saskatchewan which will stimulate the economy by investing in new businesses, new ideas and new jobs. As the Hon. Lyle Stewart, Saskatchewan's Minister of Enterprise and Innovation, said, "Well I think [the minister's] priorities and mine are pretty much in lockstep".

Together with our four provinces, through the western economic partnership agreements, over \$200 million will be invested in the west. These agreements will grow. They will diversify and strengthen the western Canadian economy at a time when families and communities are facing serious challenges and uncertainty due to the global economic slowdown.

At western economic diversification and in our government, our priority is to create new jobs, support new businesses and grow new ideas. As the Minister of State for Western Diversification, I can say with confidence that our government's economic action plan has the tools and the programs we need to ensure that the west remains strong, because I know that a stronger west will mean a stronger Canada.

• (1140)

Small businesses drive economic growth and job creation in the west and they are critical. They are a critical economic engine. Our western provinces are home to an astonishing 800,000 small businesses. That is about 36% of all such enterprises in Canada.

Our small business owners employ about 2.3 million western Canadians, nearly half of all the jobs in the region, and they create an average of 37,000 new jobs every year.

In order to continue our support for small businesses as they start and grow, our government is providing \$30 million over two years for the Canada business network. This network oversees the Canada business service centres. These resource centres are on the ground. They offer marketing solutions, business planning and financial services for western business owners.

Our economic action plan also includes significant investments for building our communities. This is a move that creates jobs for Canadians now while providing the growth that we need in the years to come.

Pipes and pavement projects across western Canada have received \$278 million through the municipal, rural infrastructure program. Today I am working closely with my colleague, the Minister of Transport, Infrastructure and Communities, to administer the communities component of the building Canada fund.

The Budget

We are committed to accelerating shovel-ready projects in construction, engineering, science and technology. This will create new jobs and new opportunities in other industries.

What I am most excited about, being from rural Saskatchewan, is our government's \$500 million investment in Canadian recreation community centres. We will work hard with our provinces, municipalities and the private sector to identify shovel-ready projects and get moving on these important facilities that mean a lot to our children and to western families and communities.

I know the importance of our community recreation centres, rinks and pools first hand. I spent many weekends watching my own children, my daughters' skating lessons at our local rink.

We are investing in our families and our communities by providing \$500 million across Canada to support our community recreation facilities.

These are trying times for Canadians and some of our communities are hit harder than others. Our government recognizes this reality and we are doing something about it.

The \$1 billion community adjustment fund will foster new opportunities in the regions of Canada that are most vulnerable. This fund will support communities in their transition from single industry towns into competitive and diversified communities, robust with science, technology, research and innovation.

Our government has played a key role in helping our communities adjust during times of challenge. We are currently working with communities impacted by the mountain pine beetle infestation, so that they can invest in new opportunities and industries to diversify and sustain their local economies.

Our economic action plan for Canada has many measures that will grow, sustain and bring future prosperity to our western economies. My department, along with our Conservative government, will continue to build on our record of results for the west.

We will also continue to build on relationships with our provincial and municipal colleagues to strengthen the economy of the west. The strength of the west in Canada depends not only on meeting today's challenges but also on building a dynamic economy that will create better jobs and opportunities for the future.

Our plan is an action plan that will meet those challenges. It contains priorities for westerners, and these are priorities that westerners asked for and deserve, enabling us to work together. Together we will build a stronger west. We will build a stronger Canada.

• (1145)

Mr. Alan Tonks (York South—Weston, Lib.): Mr. Speaker, I congratulate the minister of state for her overview of the advantages of having the western redevelopment mechanism. We in Ontario, particularly southern Ontario, have been saying that kind of mechanism should exist. This budget places that as a priority and I take it, with funding.

Does the minister of state have any problems with the amendment that has been made with respect to monitoring the kinds of progressive investments that are being made, those investments

which she has already talked about? Has she any problem with a quarterly report monitoring and assessing the success of those investments?

Can the minister see if that same approach would have a great advantage with respect to the same issues being faced in southern Ontario in terms of creating the kind of stimulus that she has very aptly alluded to in her speech? Action is going to have to be taken to lock into other funds that will invest in infrastructure, innovation, and so on, just as has happened in the economic region for which she is responsible.

Can the minister advise the House that the same experience is going to be brought four-square behind the initiatives that are absolutely necessary for southern Ontario?

Hon. Lynne Yelich: Mr. Speaker, the \$1 billion that is going to be given to that region is very important. Southern Ontario is going through some very tough times with the auto industry. We all know this is a slowdown in Canada, but these are tough times internationally. Southern Ontario is hurting badly and that fact was recognized. That is why the particular program being introduced in the budget is important. I really appreciate the support the Liberals are giving us with respect to the budget.

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, I appreciate the participation of the minister of state in the debate today.

I have a question for her specifically about the pine beetle problem in British Columbia as it affects first nations communities.

The First Nations Forestry Council has been very clear that funding has not flowed to assist first nations communities in British Columbia affected by the pine beetle infestation. Now they are talking about 103 endangered first nations communities in British Columbia, endangered not just because of the economic devastation of the pine beetle but also endangered because of the possibility of forest fires.

The money was promised for pine beetle infestation work but that money has not flowed. The first nations have an agreement with the provincial government to get some of that money but unfortunately it has not flowed to the provincial government so therefore none of it has gone to first nations.

In prebudget consultations they requested direct funding to first nations communities. They were looking for \$20 million per year for three years to address the environmental dangers created by the pine beetle infestation, including forest fire dangers, and they were also looking for \$5 million per year to assist with economic development in those 103 endangered communities.

Can the minister of state tell us if that request has been met specifically by this budget and if there is an expedited way to ensure that the money flows to these endangered communities?

The Budget

• (1150)

Hon. Lynne Yelich: Mr. Speaker, we know that families and communities in British Columbia are going through challenging times. As the new Minister of State (Western Economic Diversification) I cannot tell the House how upsetting it is to see some of the devastation that has happened. That is why in the last budget our government invested a lot of money toward the pine beetle infestation in British Columbia.

Many agreements have been signed through CEDI, a community economic development initiative. Many programs, different initiatives and projects have been brought forward through many communities in northern British Columbia to the tune, I think, of about \$33 million. Many projects are in place in these communities and going forward.

In this budget we have also announced an extra \$1 billion for the communities that are—

The Deputy Speaker: Resuming debate. The hon. member for Kitchener Centre.

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, I am honoured to speak today in support of the government's economic action plan. This budget will be a test of political maturity. Canadians have been watching with great interest and quite literally praying that we parliamentarians get it right.

This budget is a test of our Conservative government. It is also a test of the Liberal Party, the Bloc and the NDP. More important, it is a test of minority government itself.

What is the standard against which we are being tested? What do Canadians want? How will we know whether we have passed?

Two results are important to Canadians. First and foremost, Canadians want us to work together. Second, we must respond competently to the worldwide economic slowdown. If we do not work together, we will be incapable of any response whatsoever.

We will not succeed if we insist upon a mean-minded lack of trust. If we harbour grudges over past disagreements, if we refuse to even listen to one another, that will be picking up one's marbles and storming off home, and Canadians will recognize that for what it is. We also will not succeed if we play power games, if we all try to be king of the hill, if we insist that this budget must be exactly what we want.

My community of Kitchener has a pioneering tradition of conflict resolution. As a lawyer for almost 30 years I have learned that a good compromise is one where everybody feels disappointed. If any party in the House thinks it will get everything it wants in the budget, then it has failed the test.

Ironically, that is why minority government fails the test. Many good ideas that would serve our country well cannot be pursued because they will offend one party or another. Despite the luck of one or two minority governments 45 years ago, good ideas succeed more in spite of minority governments than because of them.

My favourite example is the abolition of the anti-democratic state funding of some but not all political parties. This excludes many people who would like an equal voice in our politics, but I know that

this democratic reform will not pass in this minority government. Therefore, I am glad that the Prime Minister had the political maturity to take it off the table.

Has our government passed the test in this economic action plan? Resoundingly yes. Has our government set aside some good ideas because they were not acceptable to the opposition? Of course. Has our government incorporated some ideas that some of us might have wished not to? Of course.

The government is not going into this by ignoring what our parliamentary partners and others have had to say. We are not trying to be king of the hill. That is not what Canadians want. The government has listened.

This plan is the product of greater consultation than any other in Canadian history. The government consulted with over 680 groups. There were 84 ministerial trips across Canada to gather input. Opposition leaders and first ministers were consulted. Over 70 formal round tables were held to solicit ideas. We heard from business, labour, taxpayer groups, farmers, the auto sector, and the list goes on and on.

The Minister of Finance conducted an electronic consultation with over 7,200 online submissions and over 5,400 emails and letters.

In my own riding I held two round tables jointly with the hon. members for Kitchener—Conestoga and Kitchener—Waterloo. I also held one public meeting with the citizens of Kitchener Centre alone.

A number of New Democratic Party members accepted my invitation to make presentations at our public meeting and their ideas were forwarded by me to the Minister of Finance. Some, like extended EI benefits, more retraining opportunities and greater tax breaks for the working poor, have been incorporated into this budget.

This economic action plan contains many ideas gathered through such consultations, from investments in social housing, roads and bridges infrastructure to modest tax cuts. It includes measures to provide needed financing to businesses and to individuals.

• (1155)

This is an economic action plan to create opportunities for Canadians. Our plan will stimulate housing construction and provide support to business and communities. This budget will take action for aboriginals.

The Budget

For the first time in Canadian history, southern Ontario, hard hit by this recession, will get an economic development agency to provide seed money for new job creation. This could be called Canada's first knowledge budget. It dedicates almost \$4 billion to enhance post-secondary education and Canadian research. I am happy to say this includes \$50 million for Waterloo region's world-class cutting-edge Institute for Quantum Computing.

All of this builds on our Conservative government's far-sighted planning over the last three years. Reducing the GST has provided ongoing stimulus that kept us out of a recession while all around us others were failing. Cutting business taxes kept us creating net new jobs. Paying down \$37 billion of debt in just three years gives us room to manoeuvre now. Think of what that means. Even after this challenging year with a \$34 billion deficit, Canada will still have less debt than when our Conservative government took office. Our economic plan responds to global economic turmoil that worsened so quickly it was referred to as gale forces by the deputy chief economist at BMO.

Since this October, every private forecaster has been amending their forecasts downward almost every week. If any party pretends that it saw this much difficulty coming this quickly, it is kidding the public and Canadians will see right through it. If any party pretends that these problems were created by our Conservative government, it is kidding the public and Canadians will see right through it. If any party pretends that it could have produced solutions more quickly than this action plan in this complex time, it is kidding the public and Canadians will see right through it.

Is this plan completely agreeable to everyone's principles? No. Is it absolutely the best economic action plan that any government in a minority could produce? Resoundingly yes. Does this plan take action to protect Canadians? Resoundingly yes.

Our Conservative government has passed the test. The Liberal Party has also passed the test. Putting aside these humourous little jibes about being on probation, the Liberal Party has responded favourably to Conservative efforts. I respect the hon. opposition leader for admitting, "These measures stand to offer actual hope for actual Canadians". I further agree with the hon. opposition leader in saying the political system did work. It would disappoint fans of the hon. opposition leader's eloquence to hear him try to claim credit for all the many good things in this budget.

If we all focus on the economy and on protecting Canadians, we can agree that this is not a Conservative budget, it is not a Liberal budget, it is not a coalition budget. This is a Canadian budget.

In my address in reply to the throne speech and on the fiscal update, I invited all hon. members to travel the path through this dark forest of economic peril together with a common focus on the needs and well-being of all Canadians. Through the skilful and generous leadership of our right hon. Prime Minister and the goodwill of the hon. leader of the official opposition, a majority of us have now put a foot on that path together.

I call on the remaining members of the House to join us in a noble consensus in these unprecedented times. It would make all Canadians even more proud of us.

• (1200)

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Madam Speaker, I got the impression that the member was reaching out at the same time as giving a backhanded hit at some of the members here in this House.

I want to refer the hon. member to some price problems with respect to his own riding and the crisis across Canada.

We have learned this morning, and over the past couple of days, that the U.S. government is potentially proposing a bailout, a stimulus package of epic proportions. That stimulus to the economy will have with it a possible condition of no foreign content being allowed. Clearly, the member understands the implications for companies within his own riding. The implications could look a whole lot more, and I do not want to sound alarmist, like the Smoot-Hawley bill of the 1930s which had the unintended effect of raising tariffs and of course seeing the world go into further economic difficulty.

Given the member's concerns about investments within his own riding and jobs, concerns which we all share in this House although we have perhaps a different way of seeing this, will he speak to his trade minister and the Prime Minister and ensure that Canada remains open for business with the United States as it ought to? What will be the effects and impacts of this kind of stimulus? What will that member of Parliament do to ensure that we do not fall back into the malaise of the 1930s?

Mr. Stephen Woodworth: Madam Speaker, I am aware of Mr. Obama's stimulus package and its impact on Canada. I am also aware, as he is, that the protectionist provision in that package is limited to one or two sectors. It is not a wide-open protectionism. Our industry minister is on top of this file and has commented on it. He is aware of it. He is intent on ensuring that the American government will comply with its international obligations under NAFTA and other trade agreements.

It is interesting to see at this time, 20 years after NAFTA was hotly debated in this country, how important it is to our country to ensure that we maintain that good, open, free trade with the United States. I am glad that my friend on the opposite side of the House is concerned about that, too. I assume he will be supporting NAFTA in any efforts to reopen negotiations on it. Having said all of that, it is premature in that the American package is yet to be finalized.

In any event, our good news budget today provides a great deal of access to credit and financing to the industries in my riding which will help them ride out this storm.

The Budget

• (1205)

Mr. Bill Siksay (Burnaby—Douglas, NDP): Madam Speaker, the member mentioned employment insurance in the context of listening to Canadians' suggestions in the prebudget consultation. He said that the government had delivered by extending benefits by five weeks for people who currently qualify for employment insurance. The fact is that the government has done nothing to expand eligibility for employment insurance in this time of high unemployment. The government has not extended benefits. It has not gotten rid of the two-week waiting period. It has not dealt with the issue of severance pay. It has not expanded the number of people who would be able to collect employment insurance at all.

We know that only 32% of women become eligible for employment insurance claims. We know that only 38% of men in Canada are eligible to make a claim. The government has done nothing to raise that figure. It has done nothing to ensure that other unemployed Canadians can take advantage of a program they have paid into. Canadians know there has been a huge surplus of what has been taken in, in terms of the premiums that Canadians have paid into the EI fund over what has been paid out in benefits.

I am wondering how the member would address that.

Mr. Stephen Woodworth: Madam Speaker, I think the member may have overlooked one or two items that are in the budget. I am going to mention them briefly.

For example, there would be a \$50 million allotment over two years to cover severance pay owed to eligible employees of bankrupt companies. This is something new. It has never been done before, to my knowledge at least. It will in fact expand beyond the EI system to give relief to Canadians who may have, unfortunately, been laid off. Also, there will be grants for training for people even outside of the EI system. That will benefit people who do not access EI directly.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, I will be sharing my time with the member for St. John's East and I am proud to do so.

An interesting launching point to start off this discussion is to refer to what is happening in the United States and the protectionism measures in the stimulus package it has developed, not just the current one, but the past one. It also has a series of laws and guarantees in its legislation enshrined to protect its bus industry, its shipbuilding industry and its defence contract that covers a series of different procurements that are important.

One of the glaring examples of why this budget needs to be defeated to propose a stronger budget is a procurement policy in Canada, something that the United States and other countries do, that would be within good faith practices in North America based upon what the U.S. is doing.

We saw this come to a head in my area of Windsor and Essex county and Chatham Kent when a contract for almost a quarter of a billion dollars was recently awarded for a truck to be built for the military. Instead of awarding that contract or putting in the RFP to ensure Navistar would build it in Chatham, it is going to be built in Texas. It is unacceptable when a quarter of a billion dollars of procurement goes out this door to reward people in Texas.

Ironically, in 2002, I was fighting with the auto workers to protect that plant. The Liberal government at that time originally said that we could not do anything to assist or facilitate that plant to ensure it had a future. It denied all those things. It said that we could not do it under NAFTA and it used every excuse. However, it finally capitulated and we were able to successfully keep that plant going until today with a modest investment and that retooling was very successful. The money helped the plant develop for the future. It has had good jobs since that time and has paid for itself in spades.

Workers and their families have been able to live a solid life and donate to the United Way and other causes and actually return the investment to the taxpayers of Canada through income tax. We will now watch that plant go down and be eliminated, while at the same time we will be supporting a plant and a facility in the United States.

There are other examples of that by the current government in its past. The Conservatives have a history of it. The ecoAuto rebate program, for example, which is still in the program the penalty axe back. It is important to note the type of strategies the government does not acknowledge or fix. When that program was put in place it literally had Canadian taxpayers' money going to Japanese vehicles made overseas with the Yaris, in particular, getting the actual incentive.

It is very difficult to support a government that does not plan its position properly. We will see a lot of the stimulus exit this country. We will do what the Americans did when one of George Bush's packages went out, which was basically cheques to Americans. What they discovered was that only 10% of the money went back into the value-added American economy. The rest of the money was either saved or lost in banking scandals or exited the country as other manufactured goods were developed overseas.

The problem with supporting the government right now is that we are seeing a supposed rush to fix the problem that the government has denied for so many years. Over a series of years the government has not only denied but also worked against some of the issues that needed to be fixed. The manufacturing sector, for example, is an obvious one. Over the last five years we have lost nearly 300,000 jobs in manufacturing across this country. It did not just happen yesterday. It has been happening for a number of years in different successive industries.

Without supporting a sectorial strategy, whether it be the textile industry, which we watched collapse in Quebec, whether it be the auto industry in Ontario, Quebec and other parts of Canada, or whether it be the shipbuilding industry of the past, there was no sectoral development. Now, all of a sudden, there will be a solution to these things despite the Conservatives denying it for so many years.

The Budget

It is important to note that people were setting off alarm bells. It was not just Parliament over the last number years. A motion from the Corporation of the County of Essex, which was passed December 10, 2008, called for the county to forward a letter to the Premier of Ontario and Prime Minister of Canada endorsing the position of the Ontario Mayors for Automotive Investment, as outlined in correspondence dated November 24, 2008, calling for urgent action to address the crisis in the automotive sector. That was a follow-up to a series of requests in the past.

• (1210)

What happened after that is an issue of credibility and why the government cannot be trusted. On January 17, the Minister of Finance had this to say to the public:

What Dalton McGuinty is doing is the short-term, ad-hoc, subsidy thinking...the kind of old-fashioned thinking that's proven to be a failure of short-term, Band-Aid fixes for specific companies. It is a shell game...certainly for successful businesses that pay their taxes and then watch their tax money being used for specific choices that are made by politicians. Quite frankly, politicians aren't very good at picking business winners and losers."

He was referring to the auto industry. Now he has changed his tune and says that he will be there but the problem is that the Conservatives do not really understand the situation.

When the county of Essex and others raised the issue of lost auto manufacturing jobs, the government chose to attack instead of putting in an actual plan or having an actual vision. We have seen the jobs disappear. Canada used to be the fourth assembler in the world and we are now down to ninth and losing even more. The government has ignored the reality of what is happening. It is important to note that its divisive nature is what has caused the lack of confidence.

What ends up happening next is that the government scrambles around asking what it should do now. The United States is implementing a bridge loan program. It drops its rhetoric of attacking the industry and driving away the possibility of future investment.

The Minister of Industry gets on a plane and goes down to Washington but does not really meet with anyone. I accessed his travel expenses and it cost \$601, plus the cost of the challenger jet. We do not know how much that cost but I am sure it was quite expensive to fly that into Washington. All the minister gets is a document that could have been downloaded from the Internet. This is the actual system that the United States went through. It had open, accountable procedures to go through its automotive investment bridge loan that it was going to do.

We do not have that over here. We have not had a single public meeting. The government wants to put out billions of dollars but does not want to provide any access to the agreement. The only thing the minister has done is to attack workers by insisting that we would have the same conditions in our agreement as the United States.

The minister has given up our sovereign decision to even look at what a package could be. He has said that the senators from Alabama, the senators from Tennessee and the United States Congress should make the decisions for Canada as we put billions of dollars on the line.

What is worse than that is the fact that the government has still not come to the recognition that the year before the United States put \$25 billion aside for an innovation research fund for the automotive industry to turn it green. What has happened in the meantime, as the United States has been doing those things, Canada has lost investment opportunities, which is unacceptable. I will point to one of the most successful ones.

Despite the Detroit three getting a bad name with regard to hybrids, they actually have the most hybrids on the market. Investments are happening right now. General Motors, because of this incentive program, is actually building a battery factory in Detroit. It is building the Volt as well, the first electric commercial vehicle that will hit the roads. However, that investment has gone to Detroit and the United States because they actually had an auto policy. Meanwhile, our government has not even had CAPC meetings. We actually passed a call to action plan that was supposed to be implemented back in 2004.

The Conservatives do not need to be supported anymore. Too many workers and their families have lost their jobs, not because they have not been productive, not because they have not gone to work every day and done everything they should and not because they have not had the opportunities, because we have had those opportunities, it is because a government policy was never developed.

Ironically, in this budget the government claims it will come up with one in a couple of weeks. For years the government has said that it actually has a policy and now it says that it will table a policy in a few weeks and that we should trust them. We are supposed to trust them with billions of dollars, with no accountability, no plan, no public meetings, no action, no type of input and, at the same time, it will come up with a plan later on. It is too late.

We need a new plan and that is why we want to replace the government and see workers protected as opposed to being isolated and thrown out of their jobs.

• (1215)

Mr. James Rajotte (Edmonton—Leduc, CPC): Madam Speaker, I appreciate the comments by the colleague across the way. I have worked with him in the past on the industry committee and I have a tremendous amount of respect for him. I know he worked very hard, as did the former vice-chair of the committee, on a manufacturing report.

When we talked to manufacturers in 2007 they said that if we could change the rate at which we write off their capital equipment, that would be incredibly important for a five year period. We presented that report in February 2007 and it was in the March 2007 budget for a two year period. It was then extended in 2008. In this budget we do get the full five years.

The Budget

The member opposite should stand up, along with other colleagues, and say that this is something he contributed to doing and, in my view, therefore support the budget as a way of saying that he has had some impact on the fiscal policy of Canada, something that has helped manufacturers across this country and certainly in his own riding of Windsor West.

I would like the member to stand and address this issue and, frankly, take some credit for that policy being changed and for the government implementing that on this side of the House.

Mr. Brian Masse: Madam Speaker, I agree with the member for Edmonton—Leduc, that work was very valuable. However, it is unfortunate that the other 20-plus recommendations were never acted on. The important difference is that we asked for a five-year complete window, which is important for the cycle of investment. We heard from the investors that they needed a five-year cycle. What we got instead was two years and now a revival of perhaps another three years, but that does not guarantee the full cycle.

If the government really wanted to help, it would have done the full five-year cycle so that it could plan out the medium and long term investments. Now the cycle will end again and the proper strategy is not there. It is a benefit, without a doubt, and a step forward, but it is not what was asked.

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Madam Speaker, it is ironic and very helpful to have both the member for Edmonton—Leduc and the member for Windsor West who has just spoken. We all look to that member when it comes to issues on automotive and understanding the very early trends we saw two years ago when the industry was having difficulty, particularly the plight of those in Windsor today who rank among the highest in unemployment. It is not a very pleasant situation. I understand the member's concern.

I wonder if the member could comment on two very brief things. First, the revelation this morning that in the budget nearly \$8 billion in unspent funding had accumulated in the federal books. In other words, promises were made and programs were discussed but they were never actually delivered upon. I was wondering how that bodes for his community.

Is there actually a guarantee for any stimulus package that is provided? As a committee travelling through his riding, we were concerned that money that could be spent on a stimulus program, particularly in the automotive sector, may actually not get to suppliers and that the unintended consequence could be that jobs would be created in other parts of the world as opposed to our communities where they are badly needed, including Windsor.

• (1220)

Mr. Brian Masse: Madam Speaker, I thank the hon. member for his question and his work as well in committee. Apparently, he will not be on the industry committee this time and we will miss him.

With regard to the unspent money, it is tragic that we were not taking this money and acting. We had opportunities, which is why I highlighted GM. It procured a Korean-type technology for the battery system for its electric vehicles as well as the Volt itself. Even a company that is challenged right now is setting up a brand new environmentally friendly vehicle and we did not even compete for that. Here in Canada it took a lot of hard movement and pressure to

get the federal government to even participate in a new engine development at Ford in Windsor. It is one of the good things that has happened.

At the same time, it showed the differences. General Motors will be investing billions of dollars in the United States accessing its new manufacturing \$25 billion loan program. Meanwhile, we have not had a response to it. These are difficult things. If we do not talk to the U.S. about what it is doing, then we either need decide to get in the game or not. We need to be careful about how we do that but we do need to make that decision.

One of the things we are worried about is the ecoAuto rebate program where Canadian taxpayers' money went abroad to basically support other industries. The United States is looking to protect its industries right now, whereas we actually shovelled it out. Ironically, it kept the tax part on the vehicles. It added new taxes on top of those vehicles and a lot of that money comes from vehicles made in Canada. That is unacceptable.

Mr. Jack Harris (St. John's East, NDP): Madam Speaker, I wish to participate in debate. Initially I was planning to talk about the inadequacies of the budget in dealing with the needs of ordinary people across the country, particularly those most vulnerable and hurt by the recession. These speeches have been made before but they need to be underscored.

There is also the inability of many communities across the country, particularly in my province and others, to access the infrastructure funds because of the requirements of contributions from the municipality and the province. In fact, the president of the St. John's Board of Trade, in my province of Newfoundland and Labrador, said that it was like going onto a frozen pond, seeing someone who had fallen through the ice and offering to sell him a life jacket for \$9, saying, "I will pay the additional \$12 if you give me the \$9". It is a metaphor which shows how inadequate this is in dealing with the needs of our municipalities.

However, I cannot rise in the House to speak to the budget without talking about what has happened outside of the budget papers and budget documents, but is very much a part of this budget. It is the back door changes that were made to the equalization formula, which has the consequence of taking \$1.6 billion from Newfoundland and Labrador.

This is a body blow to the fiscal situation of our province. It is \$3,000 per capita for every man, woman and child in Newfoundland and Labrador, a significant amount of money. The comparison has been that for Ontario, it will be equivalent to \$22 billion. For Quebec, it will be \$14 billion. It is a significant, horrendous blow to the fiscal ability of Newfoundland and Labrador to carry on and manage its obligations.

This money was projected by the Government of Newfoundland and Labrador based on the formulas that were existing. It is a complicated formula, as we all know, dealing with equalization and offsets, but it is part of what was due to Newfoundland and Labrador as a result of the Atlantic accord and the promise made by the Government of Canada.

The Budget

I listened very carefully to the member for Kitchener Centre when he urged hon. members in the House to regard the budget as a Canadian budget, as a noble consensus of Canadians, and urging members to pass it. Is it a noble consensus of the country, of the House, of the government, to say to Newfoundland and Labrador that we will remove \$1.5 billion in transfer payments to my province, unilaterally, without notice, without consultation, without discussion, and, in fact, without even spelling it out in the budget papers?

Yesterday the Parliamentary Secretary to the Minister of Finance, in response to my question, ignored the fact that \$1.5 billion was taken away from Newfoundland and Labrador. He talked about what was left. What was left is very good, but if it is \$1.5 billion less than what was promised and what would be delivered under the existing formula, then obviously he was not telling the whole truth, because the whole truth—

• (1225)

Mr. Ted Menzies: Madam Speaker, I rise on a point of order. I must take exception to the fact that the hon. member just said I was not telling the truth yesterday in answer to a question.

In fact, if the truth be known, budget 2009 does not change a word or a comma in the accord. I would like that on the record and I would like an apology from the hon. member for suggesting that what I said yesterday was not the truth.

The Acting Speaker (Ms. Denise Savoie): I would ask the member for St. John's East if he would like to rectify any of his words.

Mr. Jack Harris: Madam Speaker, I did not call him a liar. I just said he did not tell the whole truth, and the whole truth includes the fact that there was a deduction of \$1.5 billion from what would be due to Newfoundland and Labrador under the existing fiscal arrangement. I would rely on your ruling on that matter, but I do not think that what I said was unparliamentary.

The Acting Speaker (Ms. Denise Savoie): I believe that rectifies the matter and I would ask the hon. member to continue his intervention.

Mr. Jack Harris: Madam Speaker, the situation is very dramatic for Newfoundland and Labrador. I invite hon. members and the public of Canada to consider the fact that Newfoundland and Labrador, despite the fact that it is on the verge of have status and has reached have status depending on the price of oil, still has the highest per capita debt in all Canada. It has the highest unemployment rate in all Canada by provinces and has the lowest per capita income.

In Newfoundland and Labrador the net per capita debt, as of March 31, 2008, was in excess of some \$21,000, \$22,000 per person. The next nearest province is at about \$14,000, and that is the province of Quebec. The all province average is \$10,000, so Newfoundland and Labrador's per capita debt is more than twice the all province average.

With this budget, in one action behind the scenes, the government has not changed a word of the accord, but it has changed the formula for calculating payments to provinces under the offsets under the Atlantic accord by changing the equalization formula, and that

results in a \$3,000 per capita hit over the next three years for Newfoundland and Labrador.

That is shocking, it is outrageous and it is not a Canadian budget. It is not the Canadian way to say to the newest province in Canada that this is how it will be treated by the Government of Canada. It will give us this body blow, taking away the ability of the province to continue to do the kind of things that need to be done.

Over the last number of years, the Government of Newfoundland and Labrador has been reducing its per capita debt, thanks to the oil revenues and thanks to the 2005 Atlantic accord. Two billion dollars flowed to Newfoundland and Labrador under that accord. That was used to reduce the government's obligations, the unfunded pension liability, reducing the province's per capita debt by a significant amount, bringing it down.

The people of Newfoundland and Labrador have not had the kind of government measures they need. The provincial public servants had their wages frozen for two years and a very modest increase imposed on them after a strike several years ago. Nobody is flush with cash in Newfoundland and Labrador as a result of the transfer payments. The money is being used to try to reduce the provincial debt and to bring Newfoundland and Labrador services and incomes up to the national average, to fight poverty and to do the things that need to be done.

Here we have a government suggesting that the proper response in the budget, which is supposed to be stimulative and recognize that people are hurting and has the means to provide stimulus and get involved in the programs and infrastructure by being able to pay its share, is saying it will cut us off.

This is wrong and I ask all hon. members to recognize that. I ask the government to change this policy and to announce as soon as possible that this will not go forward.

• (1230)

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Madam Speaker, I would like to congratulate the hon. member for St. John's East for the efforts he devotes to his community. He talked about changes to the equalization formula and the negative consequences they are having on Newfoundland and Labrador. We have the same problem in Quebec. The changes that were made to the equalization formula without the provinces' consent, without any negotiation, were a slap in the face to Quebec, which will lose \$1 billion in equalization payments this year.

Under these circumstances, does the member intend to vote in favour of the Bloc Québécois' subamendment, which calls on the government to reverse its decision to change the equalization program and, among other things, maintain it in its current form? Does he intend to support our subamendment?

[*English*]

Mr. Jack Harris: Madam Speaker, obviously we know that the changes in equalization announced last fall will affect a number of provinces, including the province of Quebec. It is not one that affects Newfoundland directly because this is a different problem and a different issue and has to do with specific changes to the way the formula is implemented.

The Budget

However, to answer directly, yes, we share the concerns of Quebec and other provinces that are losing equalization payments as a result of the unilateral action of the Government of Canada in this matter, and we have indicated our support for the proposed subamendment. Therefore, the answer is yes. We understand that this affects five or six provinces, Quebec probably being the most seriously affected. We do not want to see this happen. We want to see provinces able to respond to the opportunities.

Whether we support the budget or not, if the infrastructure program is going to be in place, provinces have to be able to participate in it and equalization is one of the means they have at their disposal to provide support for municipalities to get some of these projects going.

Mr. Brian Masse (Windsor West, NDP): Madam Speaker, one of the more disturbing elements of the budget is the lack of attention to employment insurance. Five weeks added on if one collects is a benefit, but it does not increase the eligibility.

I have a case in my riding where one gentleman worked for 20 years and paid into the employment insurance system. He never got it back in return, never had to use it and was happy to do so. He then changed professions and opened up his own business for the last couple of years. Then unfortunately his business collapsed like so many other small businesses in this time of need. He found another occupation, became a truck driver and worked for eight months.

Now he has been laid off. Because he is considered a new employee under the employment insurance system, he is not eligible for benefits despite being eligible when he left after paying into it for 20 years.

Does my hon. friend and colleague think these types of practices are unfair? I believe a worker, is a worker, is a worker. Whether one lives in Prince Edward Island, Ontario or British Columbia, one needs the support if one has paid into the system.

• (1235)

Mr. Jack Harris: Madam Speaker, the hon. member and I share the view there are many changes in the EI system that could have been part of the budget that would provide direct stimulus by putting cash in the hands of people who are unemployed and who would spend that money. This would be stimulative in effect but also beneficial to the individuals involved.

In my province of Newfoundland and Labrador the fishermen's union, for example, has been calling for significant changes to the EI system, recognizing there is a \$54 billion surplus historically that has been collected from workers and employers for the purposes of EI but has not been spent for that purpose. There is a historical surplus that can be directed to increase the eligibility requirements.

We have a situation now where less than 40% of the people who are unemployed actually get access to the employment insurance benefits. The small change that has been made is certainly helpful to those who end up being on employment insurance for a long period of time, but it does not make one single person who was not eligible before eligible now, and that is a shame. This could have been remedied easily, yet the government has failed to do that.

It is a major defect in the budget. It ought to be rethought and the government should change its policy and do something for unemployed workers. This needs to be done.

Hon. Larry Bagnell (Yukon, Lib.): Madam Speaker, I will be splitting my time with the member for St. John's South—Mount Pearl.

I do not know how many members of Parliament know how devastating it is to one day find out that they do not have a job, to wonder how to pay the heating bill or buy food for their families, to walk miles on the pavement looking for a job that does not exist, to think about having to move to a smaller home or low-rent apartment or perhaps go to the food bank. If that happened tonight, they should think of how devastating it would be. This was what was unfolding in November. Unfortunately, the government did not act on this crisis for Canadians.

The opposition parties got together and pushed back. In this wealthiest country in the world, we have to at least attempt to take action. Opposition parties should be proud of what they have achieved. The changes in the budget compared to the economic statement were like night and day. There are a lot of new initiatives and programs to assist a number of people in need. The Liberal leader put conditions on the assistance: it had to help the vulnerable, it had to create jobs for today and tomorrow, and it had to provide a plan to get rid of the deficit.

The NDP finance critic incorrectly suggested that there was nothing in those areas and a deeper analysis of the budget shows that not to be the case. For the vulnerable, of course, there was not everything asked for but there are EI changes. There are Canada child credit changes and improvements. There is improvement to the working income tax benefit. There are initiatives for seniors in tax, RRIFs and housing. There is housing for the disabled and money for youth. There are initiatives in forestry, manufacturing, agriculture, fisheries, the automotive sector, culture, infrastructure, home renovation, the community adjustment fund, as well as financing for business and small business tax credits.

One I fought very hard for was tourism. I am delighted there is money for tourism, which for years I have been lobbying for. I have also lobbied for the government to re-establish the GST rebate for individual tourists, which was not done. I know the industry wanted a previous promise kept to reduce the excise tax on aviation fuel by 2¢ and airport rents.

In the area of jobs for tomorrow, there is money under broadband, skills development, IRAP, infrastructure at colleges and universities, CFI and strategic training for people both on and not on EI. Of course, there was a plan to end the deficit by 2013, although there is a problem with some of the numbers.

The Budget

Everyone can see we in the Liberal Party pushed hard and achieved a number of new initiatives and programs. The problem is that some of these initiatives look pretty good on the surface but are a mile wide and an inch deep. There are a number of areas where the help does not go far enough and could have gone farther.

As for the increase in seniors' exemption of \$1,000, for instance, it gives them about 50¢ a day. Not much can be done with that. There is nothing for child care. There were suggestions on improving pay equity and with the record of the government that is a little worrying. There are strings attached to infrastructure. Some communities may not have matching funds, which could slow that going out. Of course, as has been mentioned numerous times, there were other suggestions for EI.

One might ask how we would fund these when we already have a huge \$85 billion deficit going toward with the things I just outlined. Some of it could have been funded by the contingency fund at \$3 billion and it was embarrassing that the Parliamentary Secretary to the Minister of Finance did not even know it existed. Between that and over \$16 billion that the government went into deficit with before this crisis even occurred, there are \$20 billion that could have been used for those initiatives had the government managed it well and kept the large surplus it inherited for emergency times.

People know I am normally very positive. I do not like to waste time on the negative items.

Why would the Liberal Party then put the government on probation to deliver these services and programs for the vulnerable and to protect jobs? The reason is because the government has a questionable history on delivering promises. Where are the three icebreakers? That was the government's very first promise to northerners. Where are the ice strengthened supply ships? Where are the planes for Yellowknife? What about the broken promise on income trusts?

• (1240)

Mayors have suggested that a large number of promises have been made with respect to infrastructure but the money has not flowed yet. Members can see why we want to make sure there is reporting on this plan so that these items can actually get delivered.

With respect to the north, I am happy that a number of the items that I lobbied hard for are in the budget. Tourism and mining are big in the north. The auto industry and the forestry sector are important also. I am glad these were added. I have talked about tourism already and the Arctic research centres.

The \$90 million economic development fund, as I have stated, was running out and needed to be renewed. The formula kicks in with \$185 million for transfer payments. There is \$200 million for northern housing, small craft harbours for Pangnirtung and the Clyde River cultural facility, Northwest Territories harbours dredging and the Yellowknife Bypass Road.

To finish my time I want to comment on items that I have received from northerners who are concerned about different issues and have some suggestions to make.

One is from Jean-Paul in Whitehorse who wants a special program for the extra costs of providing wind energy in the north. Instead of

that, the energy wind program was cancelled completely. People in that industry across the country are shocked.

Another issue is related to aboriginal housing in the north. If members look at page 105 of the budget there is \$400 million for housing on reserves in the south. There is \$200 million for northern housing but it is for all northerners; \$50 million for my riding.

The minister from Calgary got into a lot of trouble in my riding when the money was not transferred directly to first nations but instead went through other governments. Now they want to know how much of that \$50 million is for first nations governments. They are pretty upset again.

Brook and Dustin are worried that we will lose the vital protection of environmental assessments afforded to them under the Navigable Waters Protection Act. We will be watching that carefully for any changes and that should go under full review.

We had another suggestion for more investment in electoral reform.

The NWT Chamber of Commerce was happy with a number of initiatives like the Mackenzie Valley pipeline, the strategic investment fund, mineral exploration and the Arctic research facilities.

I had a letter from David Krutko, the MLA from Mackenzie Delta, who would like \$40 million from the building Canada fund for the Peel River bridge. I am not sure how that fits into the total set of NWT priorities yet.

I have a letter from a senior in Teslin which states: "I would like to suggest that Canada might consider the possibility of restoring the seniors capital to pre-crisis level which would allow the senior to transfer his savings into a secure and insured account preventing further financial and lifestyle loss. I'm not sure how this can be accomplished. I'll leave that to the professionals. Hopefully our elected members in Ottawa will consider this suggestion and will be able to agree on a formula to correct this heartbreaking situation". The letter is signed by B. Cooley.

Another issue which I am sure everyone in the House is inside with is the importance of inter-operability of equipment among our first responders, police and firemen and paramedics, to protect them and their victims. Public safety is doing a good job on this. Barack Obama and U.S. governors have it as a high priority. Mr. Obama spoke about it recently. One thing that would help with the good job that the government is doing is if radio infrastructure was eligible under the building Canada fund.

The Budget

I had a letter from a gentleman named David but I am not sure if it was aimed specifically at the budget. He is a crane operator who has lost his job and is not eligible for EI because of some of the regulations that are in place. David is only one of thousands of Canadians who are in the heart-wrenching situation of wondering how they can care for their families, how they can live, how they can have shelter and clothing and not have to go to food banks or the Salvation Army, and not have to move.

I hope all of us in the House will work as hard as we can to implement as many things as we can considering we are the wealthiest nation on earth. We need to work together to help those Canadians in desperate need.

• (1245)

Mr. Bill Siksay (Burnaby—Douglas, NDP): Madam Speaker, I am pleased to have this opportunity to ask a question of the member for Yukon. I know that one of the things he is very concerned about is the situation of first nation communities in Canada.

This budget purports to spend about \$1.4 billion in first nation communities. The Assembly of First Nations, in its prebudget submission, suggested that a \$3 billion stimulus package was necessary for first nation communities. The member knows as well that the last Liberal government proposed the Kelowna accord, which proposed about \$5 billion worth of spending in first nations and aboriginal communities in Canada. So we are falling far short of what the first nation communities themselves identified, what his own party identified as was necessary.

Specifically, we see that this budget talks about \$20 million over two years for partnerships to improve child and family services when the Indian and Northern Affairs Department itself says that this is underfunded by about \$109 million a year. This budget only proposes \$400 million for on-reserve housing, when the department again has estimated that in 2005 \$5 billion was needed in housing alone to bring aboriginal housing on and off-reserve up to Canadian standards. This budget talks about \$515 million for urgent infrastructure. That would only build 10 schools when 89 schools are needed across the country in first nation communities.

I wonder, given that incredible shortfall in funding to first nations, how this member is able to support this budget.

Hon. Larry Bagnell: Madam Speaker, I know the hon. member has done excellent work protecting the first nations in his area. He certainly will not get any quarrel from me that for a long time there has been insufficient funding to change the disparity between first nations and the rest of Canadians. He is absolutely correct that we put in the Kelowna accord, when those funds were available, the biggest attempt in history to reduce those discrepancies. So I, too, am very disappointed.

Even the items he has lobbied for, and I notice that schools for instance are in the budget to some extent, may be an improvement over what there was in the past. However, these things should have been done long ago, and more money for water systems. Could members imagine if we had not acted immediately and it were not on some distant reserve, and if our water had those types of problems? These are things for which we have constantly pushed.

There are some steps in the right direction in the budget but as the member said succinctly, there needs to be much more. We will constantly, as we have in the past, push even more to reduce these disparities.

• (1250)

Mr. Alan Tonks (York South—Weston, Lib.): Madam Speaker, I congratulate, again, the member for bringing forward these issues that have been raised by his constituents. It seems to me, and I hope it seems to the House, that here we have a budget that has some funds and programs that would reach the objectives that we want to see with respect to the development of the north. The member has spoken about these. He has spoken about where he would like to see changes. However, he has also spoken about the process of accountability, monitoring the accountability, and how effectively those funds would be used and those programs would be utilized.

When these quarterly reports come forward, from his perspective of being able to respond on behalf of his residents and northern development, does the member see these reports being streamed into the relevant committee and then the committee recommending particular action? Is that the kind of responsive mechanism that he sees would be in the interests of regions across this country, in terms of extracting the very best of this budget, and doing the things that the budget intends to do and thereby improving it where that might be possible?

The Acting Speaker (Ms. Denise Savoie): The hon. member has less than a minute to answer that question.

Hon. Larry Bagnell: Madam Speaker, because of the short time I will not get into the details. I think that is an excellent suggestion. I think what is important is exactly what the member said. We need to know what is being spent because in the past small-town mayors have told us that they had not received any infrastructure from the building Canada fund that had been advertised year after year. So, if we have an official analysis where it is on paper, we can look at it

Second, as the member said, we could find out what is working, how many jobs are actually being created, and what is not working, and then all of us, working together in this House, could adjust the program so it is working better and target the investments so they are working as a better stimulus.

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Madam Speaker, in the history of a nation there are defining moments, moments that we mark with pride, moments that we mark with disillusionment, moments that fundamentally change the way we think about our country. The United States of America recently had a defining moment marked with pride and hope, a beacon for the future, the setting of a new course, a direction mapped with vision and leadership. We have not been so fortunate in this country.

The Budget

It took the Conservative government too long to acknowledge the serious problems in the economy. The Conservative government took too lightly its request to close the House of Commons. Its inaction saw 100,000 Canadian jobs lost, futures made uncertain, lives disrupted, hope lost. When the Conservative government finally got down to business, catching up with the rest of the industrialized world and offering a stimulus package, while the nation waited for leadership, while a country held its breath in the hope of some positive direction, what the Conservatives did was tear apart the foundation of a federation. They sent a message that fairness does not exist, that vindictiveness outpaces vision, that bold initiatives are displaced by bad direction.

I listened intently to the Minister of Finance deliver his budget. I listened, read, reviewed and found very deep beneath his glowing words the ugly truth of how the Conservatives treat provinces in this federation.

A few short weeks ago I stood in this House and spoke with pride about how it felt to be a first generation Canadian and an eighth generation Newfoundlander and Labradorian working to build a great nation. I stand today with no less passion.

In what is touted to be a stimulus budget, in a time when governments around the world work to ensure that the success of their countries is secure, the Conservative government attacks certain members of its federation, penalizes them, retaliates against them and cuts them to the core.

Thankfully, Newfoundland and Labrador, through prudent and careful planning, is no longer receiving equalization. While the province has the highest per capita debt and many challenges to overcome, it is indeed making progress. However, this budget contains previously undisclosed changes to the equalization formula which have major impacts on the Atlantic accord.

The Atlantic accord sets the rules for the sharing of revenues with Ottawa of the offshore energy industry. Let me tell the Conservative government that by unilaterally changing the O'Brien formula for equalization, and penalizing—not stimulating, but penalizing—taking money away from Newfoundland and Labrador, \$1.5 billion—\$400 million in 2009, \$600 million in 2010 and \$500 million in 2011—is reprehensible, unconscionable and difficult to swallow.

This is no way to build a federation. It breeds an atmosphere of mistrust that will cause problems in the future. The provinces of Quebec and Newfoundland and Labrador are the targets of the Conservative government today. Who will it be tomorrow? That is the question all provincial governments have to ask themselves.

In this House we often speak of huge numbers. We talk about millions and billions of dollars in expenditures. What does \$1.5 billion mean to the province of Newfoundland and Labrador? It will likely mean the province will have less funding to help in health care and education. It will mean that some of the lowest paid nurses in this country will not necessarily get the wage increases they deserve. It will mean that health care facilities may not be able to recruit health care professionals. Care to patients may suffer. It means municipalities in the province that are trying to take advantage of some of the infrastructure programs in the budget may not be able to

do so because they cannot come up with matching funds to put in place the kind of infrastructure they need to provide safe drinking water for the people in small communities in Newfoundland and Labrador.

These are real impacts on real people.

● (1255)

By making this budget change, the Conservative government is sending a message loud and clear to all Newfoundlanders and Labradorians. I am sure my friends in Quebec and other provinces impacted by the same change heard the same message. The message this budget sends with the penalizing of some provinces is that under a Conservative government we do not stand as equals, that trust is absent and in the face of adversity we do not share equally in the benefits of the federation, that doing what is right—

The Acting Speaker (Ms. Denise Savoie): Order. I recognize the President of the Treasury Board on a point of order.

Hon. Vic Toews: Madam Speaker, I rise on a point of order. I apologize for interrupting the member on her eloquent presentation.

I believe the House leaders have knowledge of this. This morning when I tabled the supplementary estimates I was inadvertently provided with the wrong document, signed by the hand of Her Excellency the Governor General. I wish to sincerely apologize to the House for the error.

At this time I wish to provide the Speaker with a message from Her Excellency the Governor General signed by her own hand transmitting supplementary estimates (B) for the fiscal year ending March 31, 2009.

ROUTINE PROCEEDINGS

SUPPLEMENTARY ESTIMATES (B), 2008-09

A message from Her Excellency the Governor General transmitting supplementary estimates (B) for the financial year ending March 31, 2009 was presented by the President of the Treasury Board and read by the Acting Speaker (Ms. Savoie) to the House.

GOVERNMENT ORDERS

● (1300)

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that the House approves in general the budgetary policy of the government, of the amendment and of the amendment to the amendment.

The Budget

Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.): Madam Speaker, the message this budget sends with the penalizing of some provinces is that under a Conservative government we do not stand as equals, that trust is absent, that in the face of adversity we do not share equally in the benefits of the federation, that doing what is right is replaced by doing the most to hurt.

Let me tell the Conservative government that it will take a lot more than the Conservative government to knock a Newfoundlander and a Labradorian. We have weathered over 500 years of storms. We have faced every adversity. We have stared in the face of injustice and we have grown stronger.

Now is not the time to play politics. Now is the time to do what is right. Doing what is right means understanding that this change very deep in the budget has grave impacts. Doing what is right means rethinking and discussing the challenges with those impacted. Doing what is right means the minister rising in the House to give assurances that would be the case.

This is a defining moment in the country's history of defining moments.

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): Madam Speaker, I thank my hon. colleague from Newfoundland and Labrador. She just gave an eloquent speech, reminding us just how unacceptable this budget is for the people in her province, the people of Quebec, as well as tens of thousands of Canadians all over the country who in no way benefit from this budget. My colleague used these expressions: “reprehensible, unconscionable, difficult to swallow; real impact on real people”.

How can any representative of a constituency, a riding of 80,000 voters, rise in this House and say that the budget just presented is not good for their constituents, that it deprives them of things they so desperately need, and at the same time, despite how bad it is, say that they are going to support that budget on behalf of their constituents?

[*English*]

Ms. Siobhan Coady: Madam Speaker, these are extremely difficult times in our country. The issues we are facing today in Newfoundland and Labrador are exactly as I have outlined. The change proposed in the budget is absolutely going to harm Newfoundland and Labrador. The change in this budget has a very big impact on the province.

I have received many calls and many contributions from the province of Newfoundland and Labrador on this very issue. We are listening to their concerns. The sharing of the offshore oil and gas industry revenues of \$1.5 billion is not acceptable to Newfoundland and Labrador. I would think it would not be acceptable to this country to treat a member of our federation in this manner.

Mr. Mike Lake (Parliamentary Secretary to the Minister of Industry, CPC): Madam Speaker, I want to congratulate the hon. member on her speech and I look forward to serving with her on the industry committee.

In her speech she used words like “ugly truth” and talked about catching up with the rest of the world. Obviously we have heard that same political language for strategic Liberal purposes over the course of their speeches today.

I want to clarify a few things. I have mentioned this quote from London's *Daily Telegraph* before, but it is a great quote about our Prime Minister in comparison with other G8 leaders:

Of all the leaders, only...the Canadian Prime Minister is able to point to a popular and successful record in office.

Some will regard it as alarming that, in current times, world leadership should rest with Canada. But the Canadian Tories are a model of how to behave during a downturn.

They have kept spending in check and reduced taxes....

It goes on to say at the end:

If the rest of the world had comported itself with similar modesty and prudence, we might not be in this mess.

Organizations like the OECD, the IMF and the World Economic Forum have ranked Canada as a world leader in terms of our ability to come out of the recession and the stability of our banking system.

I would like to give the hon. member a chance to articulate some of the things that she likes about the budget since I anticipate she might be voting in favour of it. I know her party is going to anyway.

• (1305)

Ms. Siobhan Coady: Madam Speaker, thank you to the hon. member for the question. I look forward to serving with you on the very important Standing Committee on Industry, Science and Technology. The future of our country is to look at investments in terms of jobs of the future, investments in terms of what we should be doing in genomics and some of the other very important areas of science. Ocean technology is very important in Newfoundland and Labrador.

I welcome your question. I lived through the 1990s as a business person in Newfoundland and Labrador. I have been on the Canadian Chamber of Commerce. I have contributed to the business community of this country. Thank goodness for the Liberal government at the time for setting the parameters in place that allowed for the economic circumstance we had until recent times. If it were not for the previous minister of finance and the previous prime minister of this country, we would not be in such economic good fortunes.

You consider, sir, that over the last while we have now faced one of the largest deficits in our history.

The Acting Speaker (Ms. Denise Savoie): I would ask all members to address their remarks through the Chair.

Resuming debate, the hon. member for Barrie.

Mr. Patrick Brown (Barrie, CPC): Good afternoon, Madam Speaker, thank you for the opportunity to speak with you during a critical period for Canada. I would also note that I am sharing my time with our distinguished member for Kamloops—Thompson—Cariboo.

A synchronized global recession is hitting every economy in the world. Canada, as a great trading nation, is feeling its effects. I have certainly noticed the pain in my home town of Barrie as well. We have lost jobs in the manufacturing sector, as have many towns in Ontario.

The Budget

It is my sincere belief that the economic action plan delivered by the finance minister on January 27 was an appropriate and meaningful answer to the economic challenges we are facing. It is Canada's plan to stimulate our economy, to protect Canadians during this global recession and to invest in our long-term growth.

Our government built this plan after one of the broadest and deepest consultation processes in Canadian history. We heard Canadians' concerns about their jobs, their savings and their families. We listened to their concerns and took their advice. Now we are taking immediate and meaningful action.

We are giving more tax relief by letting Canadians earn more money before paying higher tax rates. We are building on the benefits that exist for low-income Canadians. The working income tax benefit is being increased as an added incentive for Canadians to join and remain in the workforce.

I was at the Terraces seniors home in Barrie last weekend for the 90th birthday party of my friend Raymond Blackett. I was told as I left his birthday party to make sure that we did not forget seniors in the budget. I am pleased to say that the budget certainly did not. Seniors will see new support. We are increasing the age credit amount by an additional \$1,000, and we are also reducing by 25% the amount Canadian seniors are required to withdraw from their registered retirement income funds for 2008.

The bottom line is that this year and over the next five years, our personal income tax measures will put about \$20 billion back into Canadians' hands and back into the Canadian economy to keep it moving forward.

When I think of tax relief, I think of my grandfather. He is very much the typical resident in Barrie. I have dinner with my grandfather every Sunday. He is 92 years old. He has been working every day all his life. He gives me the same message every Sunday: "Tell those folks in Ottawa we pay too much tax". I think his sentiment is shared by many Canadians. I am glad the budget recognizes that we need to put more funds back into Canadians' pockets.

Let me paint a picture of how tax relief helps the local economy. I give the example of a family in Barrie. Garry Perkins, on Crompton Drive, is a pilot in Barrie. His wife Karen is a local nurse. The Perkins family resides in the north end of Barrie.

Cutting taxes means they will have more money available to support their family. I asked Garry what this tax relief would mean to him, and he gave me an example. Maybe it means he could get his son Andrew a new set of hockey equipment from Garner's, a local sports store on Dunlop Street, so by supporting local business, we are protecting a job that might have been imperilled during the slowdown. The cycle provides tremendous synergy for our economy when we put money back into the pockets of Canadians. Plain and simple, putting tax dollars back into the economy works.

I was particularly encouraged by another aspect of the budget, an aspect that I think is important to note from the perspective of an Ontarian. When I looked at the breakdown of health care across the country, I noticed Ontario is getting a \$139 million increase in health care transfers. Canadians coast to coast are seeing an increase as well. It is important to note that point, because the last time Canada

and the world faced a significant global recession, the approach taken by the government of the day, a Liberal government, was to significantly cut health care transfers to the provinces. The pain caused by those cuts was quite dramatic. The doctor shortages we are facing today, and some of the catastrophic crunches hospitals are facing, are a direct result of the beating the health care system took during that government's attempt to hide fiscal problems by attacking the health care system.

This government has shown a lot of leadership by managing to continue to increase health care funds despite the economic challenges we are facing, to such an extent that the Liberal Premier of Ontario, Dalton McGuinty, actually commended the Prime Minister two days ago for the budget, which he believes is positive for the country and the province of Ontario.

• (1310)

I am pretty excited about that aspect of the budget. I was touring the ER ward at Royal Victoria Hospital with the head of the nurses' union, Tracey Taylor. I talked to a local nurse, Betty, from Dunsmore Lane in Barrie, and they are already working beyond capacity. It would be the wrong choice to cut health care funds at this time. I am glad this government is not repeating the dreadful mistake that occurred in the 1990s when that government made that error.

Housing and renovation are important aspects of the budget to highlight. Our plan gives a shot in the arm to the home construction and home renovation industries. Both are key drivers of our economy. It allows first-time home buyers more flexibility to withdraw from RRSPs to make their purchase and gives them a break through a tax credit on their closing costs.

Our plan also includes a new measure to let Canadians invest in the value of their homes while putting tradespeople to work and giving a boost to businesses that make and sell building products. For the next two years, the new home renovation tax credit will apply to the costs of labour and supplies. It could save Canadians up to \$1,350 when they improve their homes. This should certainly create jobs across the country.

I look at this through the lens of the city I represent. Just two weeks ago I was touring the facility of Yanch Heating in Barrie, one of Canada's leading producers of geothermal technology. I went on the tour with company owner Chris Yanch, who told me residents are taking up this notion of geothermal, which reduces energy consumption by 75%. He said the missing link was that there was not enough incentive to make those changes, and he wished we had a budget that would provide a little more help.

I am very pleased to be able to call that company and say that a resident in Barrie or anywhere in Canada who wanted to install geothermal would now get \$1,350 more. We are helping people become active environmental stewards of their own homes.

The Budget

On that same note, I remember meeting in the summer with people from another company in Barrie, Dommelvalley. They produce solar panels, and they also said that they could do so much more if there were a little incentive to help Canadians make these retrofits to their homes.

This budget does just that. It is important, and Canadians should certainly take the government up on it and make these changes. This incentive supports local businesses, creates jobs, benefits the value of people's homes and benefits the environment, particularly if they choose some of the new technologies available.

Another aspect of the budget that is particularly encouraging is the record investment in infrastructure. From 2000 to 2005, prior to my election to Parliament, I was a city councillor in Barrie. For two of those years I was the finance chair. When we were doing budget every year, I remember how constrained municipalities were with infrastructure needs that existed in Canadian municipalities.

A government that gets it and acts is a tremendous step forward for municipalities. Make no bones about it: this is an all-time record investment in infrastructure, and it is going to make a tremendous difference by not only creating jobs through the construction that this infrastructure will entail but also by helping and strengthening the vibrancy of municipalities in this country.

As Canadian families take steps to build infrastructure in their own homes, we are taking action to build infrastructure across the country. We know that getting shovels into the ground today will create jobs for Canadians now while providing the framework for Canadians to grow upon in the years to come. We are building and renewing municipal, provincial and territorial infrastructure, our post-secondary research and health infrastructure, and our key federal assets. This money will flow quickly, and the shovels will hit the ground quickly. We will see a smoother approval process for projects, and less bureaucracy and red tape.

We are talking about infrastructure that people generally identify quickly. Barrie has several shovel-ready projects, and I see examples that could turn into job creation projects in the future, such as the Allandale train station and even Georgian College, since part of this budget allocates \$2 billion for college and university infrastructure upgrades. This budget is a win on numerous fronts.

• (1315)

I will quickly add one last point. The fund available for rinks will be a boon for Canadian communities that could not afford outdoor or artificial ice rinks. Barrie tried a few times, but the money was not available. Now communities like Barrie will be able to have that recreation. This is a tremendous budget for Canadians. It is going to make our communities stronger and I am excited to support it.

The Acting Speaker (Ms. Denise Savoie): Questions and comments. The hon. member for Guelph.

Mr. Francis Valeriote (Guelph, Lib.): Madam Speaker, it is wonderful that my friend has an opportunity to have lunch with his grandfather every Sunday. However, I am wondering if he has explained to his grandfather that 80% of tax cuts to the middle class do not get spent but get saved, and that without the taxes we pay, we would not have all the programs provided by the federal

government, programs that are already underfunded by the Conservative government.

Mr. Patrick Brown: Madam Speaker, I find it amusing to hear a Liberal member of Parliament talk about social programs. In the early 1990s, when we last entertained this global slowdown, it was the decision of his party and his government to actually slash, cut and burn social programs as a means of balancing the budget. It is a bit hypocritical.

I note that the tax reduction measures are geared to Canadians most in need. That is exactly the purpose of the budget, and I would encourage the member to read it. If that is what he is concerned about, obviously he will be more content when he supports the budget, as his party is doing.

[*Translation*]

Mr. Robert Vincent (Shefford, BQ): Madam Speaker, it was very interesting to hear my colleague speak about his grandfather, who hoped he would do something because he was paying too much tax. That tells me that his grandfather has some money because he pays taxes.

Seniors are also mentioned in the budget. Some seniors do not pay taxes. Therefore, the \$1,000 credit that would save \$150 only applies to a certain segment of society, to certain individuals. Seniors who are not as well off, those who receive the guaranteed income supplement and live below the poverty line, have asked the Bloc Québécois for an increase of \$110 in the guaranteed income supplement to help them. There is nothing. People living below the poverty line have been left behind.

What does the member have to say about that?

• (1320)

[*English*]

Mr. Patrick Brown: Madam Speaker, I thank my colleague for the opportunity to share some information with him on a part of the budget he may not yet have had a chance to read.

In the budget, \$400 million is allocated over two years for the construction of housing units for low-income seniors. That is certainly going to be helpful to Canadian seniors. I am sure it is one of the reasons we are hearing positive feedback about the budget, because it is not just increasing the age credit, but it is actual, tangible action of \$400 million. No one can belittle that amount. It is a serious commitment to helping low-income seniors and to construct housing units for persons with disabilities, social housing units and affordable housing units.

The Budget

Ms. Kirsty Duncan (Etobicoke North, Lib.): Madam Speaker, in 2007 770,000 Canadians used food banks each month. Today one in nine Canadian children grows up in poverty. Research shows that for every dollar a country invests in giving children a good start in life, the country saves \$7 in spending on health and other problems that arise when children's basic needs are not met.

How can the government claim to protect the vulnerable when it provides nothing in terms of the national child benefit supplement for families making \$20,000, and for families living on \$25,000 to \$35,000 only \$436, the equivalent of 12 days' rent for a one-room apartment in my Etobicoke North riding?

Mr. Patrick Brown: Madam Speaker, I will be a colleague of the member for Etobicoke North on the health committee, and we can focus on how to help Canadians who are most vulnerable.

This budget certainly invests heavily in the Canadian economy as a stimulus to create jobs and help those who are vulnerable. That is exactly what this budget is about. I know that is the threshold it was viewed from. If the hon. member wants to help Canadians who are on the brink, the best thing to do is reinvigorate the economy. That is what this budget focuses on.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Madam Speaker, it is my pleasure to speak in favour of the budget presented by the Minister of Finance on Tuesday.

I will make some general observations about the budget and then look at some of the specific details in terms of how the measures suggested will support members of my constituency of Kamloops—Thompson—Cariboo and, indeed, all Canadians.

Like many I have struggled with the notion of a deficit and, with reluctance, I have come to accept that the global economic crisis requires the response of temporary short-term stimulus and extraordinary support for the financial system. It only takes a brief glimpse of the news each evening to see how profoundly other countries are being impacted. CBC did a special last night outlining the difficulties that China was facing.

It is with some reassurance that I note the low debt to GDP ratio that Canada enjoys relative to other countries in the G7 and the five year projection for a return to surplus. It is also important to note that for a return to surplus, the expenditures in the budget are not structural in nature.

Although it is important to acknowledge the challenging economic environment and the very real difficulties workers, families and communities are experiencing, it is also important to remember that adversity creates challenges and opportunities. I am inherently optimistic about the strength and creativities of Canadians and that we will emerge from this challenge a stronger country with a solid economic foundation for the future which will include a softer footprint for this earth.

This budget is the result of an extraordinary consultation process with the Canadian people. I believe the end product is truly reflective of this extensive input.

The term coal face was originally a mining term to describe an underground worker who cut coal from the rock. The workers would emerge at the end of the day with their faces quite blackened. This

term was not meant to reflect the dirty face but respect for their direct involvement with the core of the business.

If we work at the coal face, we deal with the real problems and issues rather than sitting in an office discussing things in a detached way. I would argue that the budget is truly a coal face budget for Canadians, not a partisan product developed in isolation of meaningful input.

It has been suggested by some that the budget is just a Christmas wish list that does not have a broad vision for Canada. The hon. Leader of the Opposition stated that it was a hodgepodge of measures adopted at the last minute. The hon. leader of the NDP suggested that we cobbled together the budget. I would argue exactly the opposite.

The budget contains many strategies and structures for industry and communities to move forward into their future. As the finance minister indicated, meeting short-term needs while serving long-term goals. Indeed, it is disrespectful to communities not to recognize that our strength lies in their local ability to innovate and create a future. It is the sum of our small and large businesses, their ingenuity that will ultimately return us to prosperity. We must temporarily support and provide the tools and funding to respond to their needs.

My December and January, like many in the House, was spent in wide consultation throughout my constituency. This is an area with both rural and urban communities and includes six municipalities and six aboriginal bands. My consultation process included local government, business leaders, non-government organizations and the general public. Tourism, forestry, agriculture and mining are all drivers of our economy.

As these conversations progressed, it appeared there was general consensus in terms of the range of opportunities that would not only provide short-term benefit in terms of economic stimulus, but also long-term advantage, the jobs for tomorrow and the necessary infrastructure foundation.

The goals of an economic action plan that would help Canadians and stimulate spending, improve access to financing, take immediate action to build roads, bridges and other critical infrastructure, stimulate housing and support industry and community were widely embraced. The question then becomes: does this budget achieve those aims?

Rather than talking about the budget in terms of the billions for this program and the millions for another, I would like to talk about the real meaningful opportunities.

The Budget

Access to credit was a number one issue for industry, businesses and individuals. The many measures taken by this government to free up credit will support confidence and encourage lending. This will facilitate Canadian businesses to grow and create jobs.

• (1325)

Clinton is a small community in interior British Columbia. Fibre optic lines run through their community, but there is no funding to provide a hub and give this community broadband. From the merchants on Main Street, to the citizens who require the Internet for the opportunity to do home-based work, to the small health centre that would enthusiastically embrace telemedicine, broadband access was their single highest priority, and our budget will provide this.

Rather than solely focusing on industries suffering from a downturn, the community adjustment fund will widely embraced to support a new future. This might include pursuing the dream of Wells Grey UNESCO designation for Clearwater, further development of the hemp manufacturing for 100 Mile House, expansion of tourism opportunities for Valemount and Blue River and enhanced back country trail development for Barrier. I anticipate all these communities will be actively pursuing applications.

I sat down a number of weeks ago with one of our aboriginal communities, representatives from a forestry company and a delegation from China. Our plan to support international marketing, innovative product development and research directly aligns with their message. Of particular interest was biomass technology.

The EI work share program extension to increase flexibility and access will be most welcome. This program has been described as a win-win for the employer and employee. Not only does the program keep skilled workers in the community, it supports companies in adapting to temporary slowdowns.

Support for long-tenured workers and enhanced availability of training were included in submissions to the finance minister, and he listened. The increase in employment benefits was important, but the message that I heard was “we want to work and we would prefer the resources to be spent on training and the creation of new opportunities”.

For Kamloops, like most cities, there are many needs for sewers, water and roads and as the tournament capital of Canada, upgrading and development of recreational facilities is always a priority. I expect that the RINC program will be oversubscribed across Canada.

The mine development just outside our boundaries has been stalled due to economic reasons. I am hopeful the tax and tariff relief introduced this week will now provide enough impetus to restart this industry.

Some of the budget highlights for my area would not be complete without noting the support for the aboriginal community. Skills and training to ensure readiness for opportunity, housing and partnership for health are important elements in breaking the cycle of disadvantage. It is real action on real problems.

In my prior career as a health care professional who worked directly with many aboriginal communities, I can attest to the abysmal living conditions that too many of our first nation citizens

experience. With the measures introduced this week, there is real hope for substantive change.

I suggest that this budget is not a hodgepodge as suggested, but a compact and multi-layered response to a very challenging economic time. As one of the pundits suggested, we cannot have everyone building robots right now. The beauty of this response is the delicate balance of supporting immediate needs without losing sight of the future.

• (1330)

Ms. Yasmin Ratansi (Don Valley East, Lib.): Madam Speaker, I would like the member to think this through carefully.

She talks about a complex economic situation. In a complex economic situation we need leadership. We do not need a government that blows off a \$13 billion surplus and creates a \$64 billion deficit, therefore putting the country into a \$77 billion debt. Any Canadian knows that if one does not have the money, one does not spend, and if one borrows, the creditors will come calling.

Could the member explain to the House how, when her government has no money, has blown off the \$13 billion, has a debt of \$457 billion and has no capacity to borrow, it will fund any projects?

This is the same situation that the previous Conservative government under Mulroney left us, and the IMF called us an economic basket case. We are now on the brink of that. Could she please explain how the government will do it?

Mrs. Cathy McLeod: Madam Speaker, that is somewhat false economics. The \$39 billion that our government has paid off in debt over the first 20 months of its tenure is a much more appropriate mechanism to ensure we are in a viable position. It is always pay down the debt, do not sit with surpluses in the bank, and provide the needed services that everyone wants in terms of health and social transfers.

I am very proud of our government's management of the economy.

[*Translation*]

Mr. Roger Pomerleau (Drummond, BQ): Madam Speaker, I listened with great interest to the comments of my colleague from Kamloops—Thompson—Cariboo as well as the comments and questions directed to her by my colleague on this side of the House. I heard her sing the same old song we first heard a long time ago. In 1994, the Liberals were seated opposite and formed the government and the Reform Party was to the right and formed the opposition. Today we have the opposite: the Liberals are seated on the right, in opposition, and the Reform Party, under another name, is seated opposite and forms the government. But the way they speak and the arguments used by both sides in the House are exactly the same as those used at that time.

The Budget

Yet, we have to say that the Liberals really did eliminate the deficits accumulated year after year since Mulroney's day—my colleague is quite right in saying so—and it is again the Conservatives who are leading us back into the red. We are told that they will eliminate the deficit by 2013 and begin to generate surpluses. Barely 10 weeks ago they were unable to tell us where we would be today and now they claim to know where we will be in five years. How is that possible?

• (1335)

[English]

Mrs. Cathy McLeod: Madam Speaker, to go back to the point that I made in my speech, we truly are in extraordinary global economic times. One only needs to look at the news in terms of Europe and China. In terms of Canada, all the governments of the past need to be particularly pleased at how we find ourselves relative to the rest of the world. I believe it is a compliment that in the past our processes worked.

[Translation]

Mr. André Bellavance (Richmond—Arthabaska, BQ): Madam Speaker, we sat for such a short time before the Prime Minister abruptly decided to prorogue Parliament that I do not know whether I had time following the election to thank the voters of Richmond—Arthabaska. I would like to do so now before I get into my remarks on the budget. Naturally, I am very pleased that they have placed their confidence in me for the third time in a row, with an even bigger majority than before. I want to assure the people of Richmond—Arthabaska that they can count on me to fight, tooth and nail, on their behalf.

I would like to note that I will be sharing my time with my colleague from Châteauguay—Saint-Constant.

We are here today to talk about the budget. The Bloc Québécois' subamendment is, of course, a major one. In light of the current crisis, we expected the Conservative government to take the needs expressed by the people into account. Quebec's National Assembly wanted to contribute its two cents to the budget consultations, and that is why the assembly—the Liberal Party of Quebec, the Parti Québécois and the Action Démocratique—decided to move a unanimous motion, which the Bloc Québécois has proposed in its subamendment today. This is further proof that there is only one party in this House that truly stands up for Quebecers' interests. That party is the Bloc Québécois, and we have decided to vote against the budget.

The motion by Quebec's National Assembly, which the Bloc has presented today, asks for help for workers, communities and businesses affected by the economic slowdown, and financial support for struggling sectors—particularly the manufacturing and forestry sectors, of course—similar to what the government decided to do for the auto sector in Ontario. The government promised Ontario no less than \$4 billion in assistance, but is giving just a few million dollars to the manufacturing and forestry sectors in Quebec. That is a really big difference.

We also want to see improvements to the employment insurance program. The government has brought in certain measures. We are not against increasing the benefit period from 45 to 50 weeks. However, Quebec's National Assembly and Quebec as a whole want

improved access to employment insurance. Today, in 2009, 53% of Quebecers who contribute to employment insurance are not entitled to benefits. That was our basic demand with respect to employment insurance, but the government refused to discuss the issue.

We are also talking about keeping equalization calculations the same. The fact that the government insists on changing the equalization calculations means that this year Quebec will lose close to \$1 billion and could lose as much as \$2 billion next year. For this reason alone we cannot vote for this budget. Obviously, Quebec's National Assembly has opposed and will continue to oppose a national securities commission.

The Conservative government has made choices that favour Ontario and the west, at Quebec's expense. We understand that the government is attempting to win more seats in Ontario and western Canada in order to obtain a majority. And this budget is padded with gifts for these parts of Canada.

The leader of the Bloc Québécois has reiterated his trust in me by appointing me as the agriculture critic once again. On this topic, we cannot stay silent on what the government has done and, above all, what the government has not done. The Minister of Agriculture and Agri-Food was no different from his colleagues when he revealed what was in the budget before it was read. Obviously he did not reveal the details because, as the saying goes, “the devil is in the details.” Hearing that there will be \$500 million in the budget for agriculture makes people happy at first, of course. They think there will be some money to help them. But, when the details were unveiled, we all got a surprise. For those who know the Conservatives though, it really was no surprise. The member for Lévis—Bellechasse kicked off his marketing campaign with a statement before the budget was read. He comes from an agricultural area and should know a little bit about the needs there. He said that his government would fill agricultural needs. He put on his rose-coloured glasses and said:

Farmers should—

Notice the use of the conditional in that sentence. The member chose his words carefully and he was right to do so. What came next showed that his government is less than willing to truly help the people who grow our food.

• (1340)

He said:

Farmers should have access to new funding to increase their slaughter capacity. This is the perfect opportunity for our government to support our beef and pork industries, as well as other producers. Our economic action plan should [he is still using the conditional tense] include a flexible program for agriculture. Such a program should help farmers tackle the challenges of the market and exploit significant opportunities in each province and territory.

The agriculture sector was quick to react and respond to this sort of wishful thinking, because there was a real disconnect between what the minister had announced and the actual details in the budget. The title of the press release from Quebec's Union des producteurs agricoles says it all: “A budget that's way off track”. That is what the Union des producteurs agricoles had to say.

The Budget

“This budget is disturbingly insensitive to the agricultural community,” said Christian Lacasse, president of the UPA, in this press release. “By excluding income support measures where the need is greatest, the government is completely changing a program that was supposed to be flexible.”

I mentioned earlier that the member for Lévis—Bellechasse had said that producers would have a flexible program, a good program. The government completely ignored the recommendations of Quebec's agricultural community.

“A program that each province can adapt to its own particular agricultural reality is obviously a good thing, but it must be properly funded and targeted,” the president of the UPA went on.

As for assistance for the slaughter industry—because that, too, was announced in advance—the government has overlooked Levinoff-Colbex, which is located in Saint-Cyrille-de-Wendover, in the riding of my friend from Drummond, who is also quite familiar with this issue. It is the only major cull cattle slaughterhouse in eastern Canada. Beef producers have just recapitalized to the tune of \$30 million and expect the government to apply the same rules for capitalization as for new projects: one dollar of government funding for every dollar of private investment. Consequently, \$50 million over three years is not nearly enough.

It is still not known whether Levinoff-Colbex can benefit from this program, and there have long been calls for government money and support to help this slaughterhouse survive. I would remind members that it is the only one of its size left in eastern Canada.

I would like to read another excerpt from the UPA press release:

“Major financial support was also required for the forest industry, which would have needed at least double the investments announced just to keep going—”

That is what the UPA had to say. A number of my colleagues in the House will cite people from various sectors who are totally dissatisfied with this budget. Two of my Bloc Québécois colleagues issued a press release today concerning women's groups that were completely overlooked by this budget.

Continuing with agriculture, the Conservative government had the nerve to appropriate the names AgriFlex, or agri-flexibility, invented by the Canadian Federation of Agriculture and its partners, such as the Fédération des producteurs de cultures commerciales du Québec. The central idea behind the concept is that the viability of the family farm can only be maintained if farmers had programs in place allowing them to plan for the long term.

The government did not include measures to ensure income security, the very essence of what farmers are asking for. Flexible regional funding is needed in order to ensure support for programs like Quebec's farm income stabilization insurance program, which insures farmers against catastrophic income shortfalls caused by unstable world prices, regional market conditions and other factors beyond their control.

The government opted for smoke and mirrors. It has been raising expectations, of course, ever since the election campaign. While campaigning, they talked about a plan totalling \$500 million over four years. But in the budget, that turned into \$500 million over five

years, a small difference of only a few million dollars. The bubble has burst.

One thing is crystal clear: this government has abandoned Quebec; this government has abandoned Quebec farmers with this budget.

•(1345)

[English]

Mr. Lee Richardson (Calgary Centre, CPC): Madam Speaker, the hon. member spoke of the budget offering more benefits to the west than to Quebec. I wonder if he could just offer me one example.

[Translation]

Mr. André Bellavance: Madam Speaker, there is assistance for communities. Amounts are yet to be calculated, but the economic statement refers to per capita assistance for communities in trouble. The communities most in need are those dependent on forestry and manufacturing industries, particularly in Quebec, but also in Ontario. However, it came to light that, on a per capita basis, Alberta would receive more for every job lost than would Quebec. That is why we can say that the budget as well as the former economic statement favour western Canada.

We could also talk about tax measures and the tax cuts always given to major oil companies. The Bloc Québécois had asked that this assistance be reduced or even completely abolished. Big oil companies absolutely do not need tax cuts in these turbulent economic times. However, this government refused to touch the tax breaks given to help its friends in western Canada and its friends the oil companies.

Mr. Raynald Blais (Gaspésie—Îles-de-la-Madeleine, BQ): Madam Speaker, I thank you. I would like to say that Gaspé and the Magdalen Islands are a beautiful area and would be pleased to welcome you.

First I would like to congratulate the member for Richmond—Arthabaska for his speech and I would like to hear from him about the Quebec nationalist members, as they call themselves, of the Conservative Party. I am thinking in particular of the member from Roberval—Lac-Saint-Jean, who is now a minister. They are forgetting about employment insurance and the forestry issue in Quebec. I would like to hear from the member for Richmond—Arthabaska in this regard.

Mr. André Bellavance: Madam Speaker, my colleague will see what happens when we vote on the amendment to the amendment. At 6:30 this evening, the Bloc Québécois will present the unanimous motion of the National Assembly of Quebec. All Quebec members in this House should vote for this subamendment. We shall see who truly defends the interests of Quebec when we vote this evening.

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

The hon. member for Châteauguay—Saint-Constant has the floor, but I would like to point out that I will probably have to interrupt her.

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ) Madam Speaker, I am pleased to take part today in the ways and means debate, particularly as we enter into a recession.

The Budget

In its budget, the government announced several measures to set the economy back on the path to prosperity. In my opinion, Quebec is not getting all the benefits of these measures that the neighbouring provinces are. What is more, the Conservatives would have done well to heed the people of Quebec and the needs they expressed.

This budget is a long way from meeting the needs unanimously expressed by the Quebec National Assembly. Unfortunately, the leader of the Conservatives chose instead to heed the demands of Ontario and the west, to the detriment of Quebec.

For example, the government is offering measures aimed mainly at Ontario, to a total of close to \$4 billion. The forestry and manufacturing sectors in Quebec, on the other hand, will receive a mere few millions—a pittance.

While some of the measures announced in the budget might be of benefit to the industrial sector, nevertheless it is still a fact that there is no aid directly targeting the manufacturing sector in Quebec. Yet the Bloc proposed some far more generous measures within its recovery plan, measures that could have helped companies no longer making a profit because of the crisis. The government turned a deaf ear and opted for a variety of measures to reduce corporate taxes.

Yet everyone understands that a manufacturing or forestry company that is not recording any profit is already paying little or no taxes. So who exactly is really benefiting from these tax cuts? The answer is obvious.

I would, however, like to address the economic aspect of the situation. Clearly, a recession is an economic phenomenon that requires an economic stimulus package, and a whole speech could have been devoted to that. A recession, however, is not just about business and taxation.

In fact, there is another aspect of the recession that I prefer to talk about: the impact on people's lives, particularly the most disadvantaged. In this connection, I note a remarkable consistency in the Conservatives: to always ignore the same categories of the disadvantaged—the most vulnerable members of our society—or to once again attack the same sectors that, according to their ideology, will not be profitable.

When I took part in the debates on last November's throne speech, I raised the point that there were some glaring omissions including women, people with inadequate housing, older workers, the unemployed, the cultural industry, and seniors. Once again, the same categories of people are ignored by this budget.

I would like to focus on what is happening to seniors living below the poverty line. These seniors are among the poorest, most vulnerable members of our society. Seniors receiving the guaranteed income supplement will not be getting any more help anytime soon. The Conservatives have provided a \$1,000 age-related tax credit, which is all well and good, but it will not help the poorest of our seniors.

That leads me to question this measure, because this is just like the problem with business tax credits: how is a tax credit supposed to help people who may be living below the poverty line and who pay little or no tax?

The increase to \$6,048 might help seniors who are working for various reasons, but we must put things in perspective. It looks like seniors could save up to \$961 in taxes, depending on their income. However, this is a tax measure that individuals will notice just once a year after they file their tax returns. This is not the kind of direct assistance that people need during hard times. And that does not even account for the fact that the amount saved will vary depending on the senior's income.

With respect to the poorest seniors, FADOQ, a network that protects the interests of Quebec seniors, has highlighted an important fact: seniors who have no income other than old age security and the guaranteed income supplement live below the poverty line.

In Quebec alone, 500,000 people collect varying amounts through the guaranteed income supplement. That means that half a million people will not receive any direct assistance because the government is refusing to improve the guaranteed income supplement.

The Bloc Québécois has once again made specific requests for this budget: an incremental increase in the seniors' supplement and graduated retroactivity for those eligible for the guaranteed income supplement who were swindled by the government. Taken together, these measures would have cost \$2.5 billion over two years.

Of course, we are still asking for automatic enrollment for seniors who are eligible for the guaranteed income supplement. This is what all seniors' advocacy groups want, and their demands cannot be ignored.

I would like to say a few words about social housing, which is a critical need in my community. The Bloc Québécois said that it wanted the federal government's budget to invest \$2 billion additional dollars each year for construction, renovation and conversion of affordable social housing. But the government is proposing \$2 billion over two years, or half of what we requested.

● (1350)

Of this amount, \$400 million will go towards constructing social housing for low-income seniors and \$75 million will go towards construction of social housing for the disabled, which is not nearly enough in these times.

The budget makes no mention of social housing for the poorest families, for example, two- or three-bedroom units.

In Châteauguay alone, a city in my riding, the municipal housing bureau told me that 143 households were still waiting for affordable social housing. Half of these households are made up of single mothers and the other half are seniors. And that is just one medium-sized city in Quebec.

The reality is that a significant number of Quebec families cannot afford to buy a house, which is the case for these 143 households that I mentioned. The lack of a true policy for constructing affordable housing remains a serious flaw in this budget.

I will finish by saying that the Bloc Québécois and I will assume our responsibilities and will vote, without hesitation, against this unfair budget that does not respond to Quebecers' priorities.

It is also clear to me that the proposed budgetary measures will help the wealthiest in our society more so than the poorest who are hard hit by this recession.

Voting in favour of the budget or allowing it to pass in one way or another would be to abandon Quebec and the poor in our society, when those are two causes that I represent and defend fervently. It would go against my political beliefs and my reason for being here.

• (1355)

[English]

Mr. Bill Siksay (Burnaby—Douglas, NDP): Madam Speaker, yesterday during oral questions the member's colleague from Saint-Bruno—Saint-Hubert asked questions of the government relating to arts and cultural funding in this budget. She expressed her disappointment that the government had not backtracked on its decision to cut funding for the promotion of Canadian culture overseas which ended the PromArt program and other travelling cultural programs. I wonder if the member would comment on that.

My riding of Burnaby—Douglas is home to much of the film, video and television production in Canada. Workers in the film and television industry are disappointed that the budget also failed to maximize the potential of that industry in terms of economic stimulation in Canada. It did not give a long-term commitment to important institutions like the Canadian Television Fund and Telefilm Canada. We need that long-term commitment to these important programs given the work they provide for Canadians and the opportunity for cultural expression they afford Canadians. I wonder if the member could comment on that.

[Translation]

The Acting Speaker (Ms. Denise Savoie): The hon. member for Châteauguay—Saint-Constant may take one minute to respond. She will have three minutes after question period to continue her speech.

Mrs. Carole Freeman: Madam Speaker, I thank my hon. colleague for his question.

The budget we have seen does not provide the funds needed for culture in Quebec. Everyone knows how important that industry is for us and how important it is for Quebec to disseminate our culture around the world.

As my hon. colleague from Saint-Bruno—Saint-Hubert said, it is strange that funding is being cut for our artists touring abroad, while funding is given for productions and artists from other countries.

Ms. France Bonsant: This is completely backwards.

Mrs. Carole Freeman: I agree; it really is completely backward, as my colleague from Compton—Stanstead said.

This shows a complete lack of respect for the Quebec nation, which was recognized by this House. Its culture is not being recognized and attempts are being made to impede its development. By impairing its culture in this way, its economic development is also being impaired, since the cultural industry as a whole is so important to our economic success.

Statements by Members

STATEMENTS BY MEMBERS

[English]

BRYCE KELLER MEMORIAL BURSARY

Mr. Tim Uppal (Edmonton—Sherwood Park, CPC): Madam Speaker, I rise today to commend one of my constituents, Sarah Keller, a member of the Canadian Forces, who has created a bursary at the Northern Alberta Institute of Technology.

On August 3, 2006, Corporal Bryce Keller, Sarah's husband, was killed in a fire in Kandahar. He was awarded the Medal of Military Valour for his actions. I am honoured to inform the House that the Corporal Bryce Keller Medal of Military Valour Memorial Bursary will annually allow a student at the Northern Alberta Institute of Technology to pursue his or her dream of higher education.

I ask the House to recognize the great sacrifices the Kellers have made on behalf of all Canadians.

* * *

• (1400)

SRI LANKA

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, last week the members of Toronto's 200,000 Sri Lankan community held a week-long hunger strike to draw attention to the atrocities currently taking place in Sri Lanka. Hundreds of people across the greater Toronto area expressed their demand for immediate action by fasting.

Today I would like to draw the attention of the government and all members to the fact that another 300 lives were lost this week alone regardless of "safe zones". For more than 20 years the Sri Lankan people have been victims of a civil war that has claimed more than 70,000 lives since 1983.

Canada is home to the largest Sri Lankan community outside of Asia. I strongly call on all members of the House to join me in pressing for an immediate and peaceful resolution.

* * *

[Translation]

YVES LANGLOIS

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, I want to pay tribute to a resident of Saint-Armand, in the riding of Brome—Missisquoi, Mr. Yves Langlois. He won the award for the best full-length documentary at the Breaking Down Barriers film festival in Moscow, Russia, for his film *Le dernier envol*.

In 2005, Mr. Langlois, who is a well-known author, editor and director, won the Judith Jasmin award, which honours excellence in journalism, for his film *L'envol du monarque*.

With no funding available in Canada because of the Conservatives' cuts to culture, Mr. Langlois' trip to Russia had to be funded by the American embassy.

Statements by Members

The Bloc Québécois is proud to recognize the outstanding work of this artist in this House, and I would like to take this opportunity to once again condemn the Conservatives' cuts to funding that enables our artists to have an impact abroad.

* * *

[English]

EMPLOYMENT INSURANCE

Mr. Claude Gravelle (Nickel Belt, NDP): Mr. Speaker, with an ever growing unemployment rate of 6.6% and with monthly job losses in the thousands, now is the time to expand the employment insurance program. Unfortunately, in Tuesday's budget the government only offered half measures and not one additional worker will become eligible for EI benefits.

Canada's social safety net is supposed to help families when they fall. Sadly, too many of them are falling through the growing cracks.

[Translation]

For the sake of workers in Nickel Belt and across the country, it is imperative that the government make sweeping changes to employment insurance. The two-week waiting period should be eliminated. The number of hours required to qualify for benefits should be reduced. Benefits should be improved.

[English]

The government has missed its opportunity to protect working families affected by the recession and the Leader of the Opposition has decided to sell out the jobless in exchange for propping up the government.

* * *

GARY TINKER FEDERATION FOR THE DISABLED

Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC): Mr. Speaker, it is my pleasure to tell you about a remarkable resident in my constituency, Mr. Gary Tinker of Pinehouse Lake, Saskatchewan.

Nearly 20 years ago Mr. Tinker, who suffers from cerebral palsy, completed a 650 kilometre walk from La Ronge to Regina on crutches. This inspired the formation of the Gary Tinker Federation for the Disabled.

This federation is a non-profit career services and advocacy group. It has a proud record of 19 years of continued success and positive impact on the lives of individuals living with a disability in northern Saskatchewan, their families and communities. The federation is dedicated to levelling the playing field of services and employability for the disabled in northern Saskatchewan.

Gary Tinker is an inspiration to us all. It is an honour to pay tribute to him today for his continuing and tireless efforts on behalf of the disabled and to congratulate him on the 20th anniversary of his famous walk to raise awareness for the unmet needs of the disabled in northern Saskatchewan. Mr. Tinker invites everyone to join him this September in celebrating this milestone event, the next chapter of his ongoing mission.

SRI LANKA

Hon. Jim Karygiannis (Scarborough—Agincourt, Lib.): Mr. Speaker, the civil war in Sri Lanka has placed civilian population in danger. Over 300,000 innocent people are in harm's way. They are in desperate need of humanitarian aid.

The United Nations and the European Union have called on the government of Sri Lanka to ensure the safety of civilians and the humanitarian workers who are trying to provide the necessities of life.

Sri Lankan-Canadians are worried about their loved ones. They have asked the Conservative government to take a stand. When will the government do more than just issue press releases and take the required action which is needed immediately in order to protect innocent people of Sri Lanka?

It is time that the government quits labelling people, especially the Tamils in Canada, and works with the diasporas and international agencies to ensure that civilians in Sri Lanka are protected and provided with much needed humanitarian relief.

* * *

● (1405)

THE BUDGET

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, yesterday, the hon. member for Welland suggested our multi-year action plan for Canada's future would somehow not benefit his constituents.

I believe it is important to set the record straight so that people in the Niagara region know that their government is taking action to ensure a productive and prosperous future.

Our action plan includes extending work-sharing agreements. We are investing in training, delivered through the EI program, to help people develop new skills for today's workforce.

We are investing in knowledge infrastructure, with a plan to help universities like Brock, which is in the ridings of Welland and St. Catharines. Our budget is aimed at creating jobs and getting people back to work.

I know we have made a budget that would benefit St. Catharines and all the Niagara region. Three of the four members from Niagara are supporting this economic plan. I would simply ask the fourth to do likewise.

* * *

[Translation]

THE BUDGET

Mr. Pascal-Pierre Paillé (Louis-Hébert, BQ): Mr. Speaker, the citizens in the riding of Louis-Hébert and the Quebec City area were waiting for concrete measures from the Conservative government. After reading the budget, we must unfortunately conclude that they will have to go on waiting.

The Quebec bridge file continues to drag on. We are still waiting for action on the Super PEPS stadium. No commitment has been made with regard to the relocation of federal public servants. There is no clear support for the construction of a high-speed rail line from Quebec City.

Statements by Members

The Conservative budget does not address Quebec priorities, nor the important priorities of the Quebec City area, and does nothing for the riding of Louis-Hébert.

* * *

[English]

SRI LANKA

Mr. Deepak Obhrai (Calgary East, CPC): Mr. Speaker, as the Minister of Foreign Affairs said yesterday, Canada is deeply concerned by the civilian casualties caused by the continued fighting between the government forces and the Tamil Tigers in Sri Lanka.

We call on all parties in this conflict to end the violence, to allow full, safe and unhindered access for humanitarian workers, and to ensure the safe and voluntary movement of civilians from the combat zones.

The Government of Canada further calls upon the government of Sri Lanka to start building confidence measures to ensure Tamil aspirations are met through peaceful engagement and inclusion within the democratic process.

The root cause of this conflict must be addressed to ensure the return of peace. The Government of Canada, therefore, calls upon all Sri Lankan citizens, Sinhalese, Tamil and others, to work together to build a peaceful and prosperous Sri Lanka.

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[Translation]

DANIEL POLIQUIN

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I would like to speak about the retirement in December of an outstanding parliamentary interpreter, Daniel Poliquin. I was unable to pay tribute to him when he retired because of an unfortunate proroguing of Parliament. Therefore, I would like to do so now.

We all know Daniel for his work, often difficult work, in this place over the past 18 years. However, Daniel has also made a name for himself as an author.

[English]

Daniel was twice a finalist for the Governor General's literary prize. In 2004, he was made a member of the Order of Canada and in 2006, the University of Ottawa awarded him an honorary doctorate.

[Translation]

Daniel, I hope you will enjoy your retirement to the fullest and that you will spoil us with other tales for our reading pleasure.

On behalf of all the House, we thank Mr. Poliquin for allowing us to be understood when we perhaps were not quite clear.

* * *

CONSUMER PRODUCT SAFETY

Mr. Daniel Petit (Charlesbourg—Haute-Saint-Charles, CPC): Mr. Speaker, today our Conservative government has introduced the Canada Consumer Product Safety Act, which will modernize and strengthen the legislation on product safety in Canada.

Our government attaches a vital importance to the protection and promotion of the health of Canadian families and communities. Canadians need to be able to have faith in the consumer products they purchase.

I am proud to say that our government is taking steps to improve the safety of products Canadians buy for themselves and their children. We ask the opposition to support the bill and help us protect all Canadians.

* * *

[English]

CN RAIL

Mr. Jim Maloway (Elmwood—Transcona, NDP): Mr. Speaker, it has recently come to my attention that the management at the Canadian National Railway car plant in my riding of Elmwood—Transcona has decided not to replace two large Canadian flags that have been on display in the plant for the last 10 years.

The flags were removed for a cleanup last year and were deliberately not replaced. The American manager has refused to replace the Canadian flags that the workers had in their work area, while prominently displaying both the Canadian and the American Stars and Stripes in his own office.

I invite the Prime Minister to join with me and share the cost of two new large Canadian flags to donate, on behalf of Parliament, to Canadian National Railway to display in the Transcona railway shops to continue the Canadian workers' proud tradition of patriotism.

* * *

• (1410)

IMMIGRATION

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Mr. Speaker, our government's economic action plan includes a \$50 million investment in foreign credentials recognition. This will build on the initiatives our government has already brought forward to help new Canadians including the 320 Service Canada centres across this great country.

Many newcomers who come to Canada quickly learn that their qualifications are not recognized in the province in which they settle, thus preventing them from contributing fully to our economic development.

Since the granting of credentials is regulated at the provincial level, our government is encouraged by the commitment of first ministers to work on a common framework to recognize foreign credentials by September of 2009.

With immigration accounting for a larger share of our labour market growth, it is important that the federal and provincial governments work together to ensure that foreign credentials are properly recognized.

Oral Questions

[Translation]

THE BUDGET

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Mr. Speaker, the Conservative government's budget does not reflect the needs of young middle class families. For example, do they think they have achieved any sort of balance when a family with an income of \$150,000 will be entitled to a tax reduction of \$350, while one with an income of \$40,000 will receive \$148? And do they really think they are encouraging people to buy their first home by offering a tax credit of up to \$750, knowing what the average costs involved in buying a home are?

An analysis of this budget clearly shows that it contains no concrete measures to meet the needs of young families, and even less so if one member of that family loses his or her job and cannot qualify for employment insurance.

With it, the Conservative government, backed by the Liberals, is showing how it has neglected low-income families in a time of recession.

* * *

[English]

THE BUDGET

Mr. Francis Valeriote (Guelph, Lib.): Mr. Speaker, the Conservative government has failed cities and communities right across Canada. Nearly \$8 billion, the highest level in recent years, was promised but not spent by the government. In the midst of an economic crisis with job cuts hitting every community in Canada, the government says one thing, but consistently and continuously fails to get the money out the door. Thousands of jobs have disappeared while the government sat on almost 10% of its appropriated funds.

That is why the Prime Minister is on probation. Canadians are rightfully cynical that Tuesday's budget commitments will never find their way to building the roads, bridges and sewage facilities that our communities, like Guelph, desperately need.

The government has consistently demonstrated an unwillingness to do what it says. That is why the Liberals are enforcing accountability on the budget's implementation and its costs.

Either the money gets out the door, or the Conservative government will be shown the door.

* * *

THE BUDGET

Mr. John Cummins (Delta—Richmond East, CPC): Mr. Speaker, Canada's economic action plan contains a number of important economic stimulus measures that will assist homeowners wishing to renovate and first time home buyers.

The home buyers plan will now allow first time home buyers to withdraw \$25,000, \$50,000 for couples, from their own retirement savings to purchase or construct a new home. The new first time home buyers tax credit will save new home buyers up to \$750 on closing costs when buying a new home. The new home renovation

tax credit will provide tax relief for home renovation costs and will save Canadian families up to \$1,350 on their 2009 taxes.

The Minister of Finance invited the public and members of Parliament from all parties to make recommendations for his 2009 budget. I am pleased he accepted my recommendation to update the borrowing limits for the home buyers plan to reflect the challenges faced by first time home buyers.

ORAL QUESTIONS

● (1415)

[English]

TRADE

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, the stimulus package just passed by the U.S. Congress includes protectionist clauses that are harmful to Canada. The U.S. bill states that none of the funds made available by this act may be used for a project “—unless all of the iron and steel used in such project is produced in the United States”.

What does this country have an embassy in Washington for if the government cannot prevent protectionism language creeping into the package?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the last time I looked the United States Congress was independent of embassies. However, this is obviously a serious matter and of serious concern to us.

I spoke to our ambassador about it yesterday and I know that countries around the world are expressing grave concern about some of these measures that go against not just the obligations of the United States but, frankly, the spirit of our G20 discussions.

We will be having these discussions with our friends in the United States and we expect the United States to respect its international obligations.

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, we have the same concerns about the passive approach that the government has taken when it comes to aid to the auto sector.

What action is the government taking in Washington to ensure that Congress and the auto companies do not end up working together to suck auto sector jobs out of Canada?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, this is precisely why in December the Premier of Ontario and I made it clear that we are working together and working with our colleagues in both the outgoing and now the incoming administration to ensure that we are on the same page in terms of helping the auto sector and to ensure that we bring our share of any restructuring package to the table and preserve those jobs in Canada.

It is precisely what we are doing. We are doing it in lockstep. Our officials talk daily to their counterparts in the United States and we have a great partner in the Government of Ontario in this endeavour.

[*Translation*]

Mr. Michael Ignatieff (Leader of the Opposition, Lib.): Mr. Speaker, if the United States erects barriers between itself and Canada, it will slow down the economic recovery of both countries.

Will the Prime Minister address the question of American protectionism during President Obama's visit, and what is he prepared to say to defend our country's interests?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, for any country, protectionism is a serious concern during such an economic crisis. I have been prepared for some time. Protectionism must be avoided during a global downturn. It is an ongoing process in the American Congress. We will see further changes, plans and proposals.

United with every country in the world, we will insist that the United States respect its obligations with respect to the World Trade Organization.

* * *

GENOME CANADA

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, several new genetic research programs and cancer research programs are at risk because this budget did not provide any new funding for Genome Canada, an extremely important scientific research program. Canadian scientists involved in that program have been recognized around the world for their contributions.

Can the government reassure this House, and confirm that it was merely an oversight and that new funding for Genome Canada is not at risk?

[*English*]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, unfortunately, the hon. member is absolutely incorrect. This government has in place two five-year contracts with Genome Canada, with almost \$250 million remaining for science research. We are doing that because we know Genome Canada is good for Canada, and the good work they do is good for Canadians' health.

Mr. Marc Garneau (Westmount—Ville-Marie, Lib.): Mr. Speaker, the minister of state knows that small amount of money is already fully committed and has been for some time. Genome Canada's world-leading research programs are in jeopardy and thousands of jobs will be lost if the Conservatives fail to fund it.

Canadian scientists can only contribute to new discoveries and create the jobs of tomorrow if we give them the support they urgently need. Is his government deliberately undermining Canada's scientists or has he just simply forgotten to fund their future work?

• (1420)

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, one minute later and the member is still wrong. The government supports Genome Canada. It will receive \$106 million this year and \$108 million next year. When we

Oral Questions

put those initiatives forward, that party over there voted against them.

* * *

[*Translation*]

SECURITIES

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Prime Minister neglected to mention that his budget had been condemned by a number of groups in Quebec and that the creation of a Canada-wide securities commission had been unanimously criticized throughout Quebec. Even the OECD said that the current system, with securities commissions in each province, was one of the best in the world. But the Prime Minister will not be moved.

Will he admit that what he is really trying to do by going ahead with his proposed Canada-wide securities commission is to concentrate everything in Toronto?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, on the contrary, at a time when the international community is thinking about better international regulation, we must have better national regulation in Canada.

As for the Canada-wide securities commission, we are clear: participation is voluntary. If Quebec does not want to take part, it has that option. But many other partners want such a commission, and their participation will also be voluntary.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that is pure hypocrisy, because at the same time, the Prime Minister is telling us that every company has the right to join the Canada-wide securities commission and avoid regulation by Quebec. In other words, the Prime Minister is making sure that the Commission des valeurs mobilières du Québec will die a slow death. His Minister of National Revenue has implied as much.

Will the Prime Minister admit that he is putting all the conditions in place to kill the Commission des valeurs mobilières du Québec and concentrate financial power in Toronto?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the proposed Canada-wide system is decentralized, but Quebec's participation is entirely voluntary. It is our constitutional responsibility to strengthen Canada's economic union. That is important at a time like this.

* * *

INDUSTRY

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, let us look at the facts. The automobile sector, mainly concentrated in Ontario, is receiving \$2.7 billion and southern Ontario gets another billion dollars. In the same budget, there is only \$170 million over two years for the forestry sector across Canada, including Quebec. With the communities fund, it is Alberta that benefits to the detriment of Quebec.

Will the Minister of Industry admit that, for electoral gain, his government decided, in its budget, to favour Ontario and the west over Quebec?

Oral Questions

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, as usual, today we are still setting the record straight. The automobile industry in Ontario is receiving loans whereas the forestry industry in the rest of the country is receiving grants and financial support.

We have honoured agreements made with our American partners, which was very important in order to prevent what they want to happen, that is further job losses.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, the auto sector will receive the lion's share of federal assistance for the manufacturing sector. The government should have imposed conditions, particularly that assistance be used to develop products that are fuel efficient and that contracts not be outsourced abroad.

Does the Minister of Industry intend to remedy the situation and require such conditions?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, the facts are that the automobile industry is supported by loans whereas the forestry industry is supported by monies provided for marketing, breaking its dependence on the market and investing in new forest products, which will allow the industry to recover.

* * *

• (1425)

PAY EQUITY

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, in the budget tabled on Monday, the word “women” does not appear once in the entire document. What is worse, the budget again attacks women's right to pay equity.

The Conservative attack, again with support from the Liberals, takes away a woman's right to demand equal pay for equal work and to go to the courts to get it.

Can the Prime Minister explain to us how this attack on women's rights will help our economy?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the proposals in the budget concerning pay equity will ensure that decisions about equity will be made much more quickly than they are now. In addition, these are the same measures that were adopted in Manitoba and Ontario by New Democrat governments.

[English]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Prime Minister knows that answer does not cut it.

The legislation in Manitoba was very proactive. It ensured that there were a number of steps to involve the government in the responsibility to ensure pay equity. We certainly do not have any confidence, and cannot have any confidence, in the Conservative government to do the same thing.

The reason we have no confidence in the government is because it has cut the funding to Status of Women. It even took the word “equality” as a goal out of the mandate of the department. The

government cannot even bother to mention women in its entire budget.

What kind of economic stimulus is it that does not address the issues facing women?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, Canadian women will benefit from all the measures in this budget. Under this government, we have more funds available for women's programming than ever before and we will have a pay equity system that will serve women better than ever before.

The NDP should get on the side of women and support the budget.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, what a sad contrast when we compare it to what we see going on south of the border.

Today President Obama signed his very—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. member for Toronto—Danforth has the floor. We have to be able to hear.

Hon. Jack Layton: Mr. Speaker, it is a sad contrast. Look at what is happening in the White House today.

The very first bill being signed by President Obama makes it easier for women to pursue pay equity and it allows them to sue employers for pay discrimination, something the Conservative government wants to take away. Not only is it a big step forward for women in the United States, it also helps families that are struggling to make ends meet in this tough economic circumstance.

Will the Prime Minister stop the strategy he is following, fighting women's pay equity, and instead get on board with the direction that President Obama—

The Speaker: The right hon. Prime Minister.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I will tell the House what the only sad contrast is around here these days. It is the leader of the NDP, who a month ago was prepared to support the mission in Afghanistan, prepared to support corporate tax cuts, prepared to support development of the oil sands and now wants to go back and try to pretend he is a left wing ideologue all over again. It is his problem. He made his bed. He can sleep in it.

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EQUALIZATION PAYMENTS

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, the government committed itself to the expert panel on equalization, which will “put equalization on a fair and secure and a fully sustainable foundation, ending federal-provincial bickering”.

Now, without any consultation, Conservatives are gutting the panel's key findings, abandoning the fairness and the stability that it brought and unilaterally slashing the value of my province's revenues by \$1.5 billion, a 60% cut over three years.

Will the Prime Minister now admit that his decisions were never about more fairness but were about revenge?

Oral Questions

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the government continues to honour the Atlantic accords. The member for Humber—St. Barbe—Baie Verte is referring to that I assume.

What the government is also doing though is ensuring that we control the rate of growth of equalization, and I made this clear to the finance ministers on November 3 so they could plan their budgets ahead of time. This is fundamentally important so the program is affordable for Canadians. It was growing on average at 15% per year. In a recession, as I am sure the member opposite can appreciate, that is not realistic.

• (1430)

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Speaker, this is not about the GDP cap. This is about the O'Brien panel, which actually recommended a 50% withholding on non-renewable natural resource revenue. That is the source of what is costing my province \$1.5 billion.

I would like to hear the finance minister confirm, yes or no, Premier Rodney MacDonald's statement that a side deal has been cut with his province. Is Premier Rodney MacDonald telling the truth, yes or no? Is a similar side deal available to the people of the province of Newfoundland and Labrador?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, there are no side deals. The accords are being followed.

As the Premier of Nova Scotia indicated, he is comfortable with the reality that no province would get less in 2009-10. This is not news. This was discussed publicly on November 3, 2008, and we have kept that commitment to the province of Nova Scotia, as the premier has acknowledged.

The province of Newfoundland and Labrador will receive \$1.2 billion in offset payments between 2009-10 and 2011-12, and this is even—

The Speaker: The hon. member for Honoré-Mercier.

[*Translation*]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, the Prime Minister does not have the reputation of keeping his promises. He has shown that once again, this time on the topic of equalization.

However, he should know that in a federation, he has to create trust and respect his partners. The Prime Minister went back on his word by unilaterally changing the way equalization is calculated.

And so the question is: How can we have confidence in him today or tomorrow when he so easily goes back on his word?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as I am sure the member opposite knows, transfers are not being cut. In fact, the transfers this year from the Government of Canada to the provinces will be in excess of \$50 billion.

Equalization itself has grown more than 50% since 2003-04. These are major transfers to the provinces. Unlike the official opposition, we will not reduce transfers for health care. We will not reduce transfers for the CST for colleges and universities. We will not fight this recession on the backs of the provinces, universities—

The Speaker: The hon. member for Honoré-Mercier.

[*Translation*]

Mr. Pablo Rodriguez (Honoré-Mercier, Lib.): Mr. Speaker, when the Prime Minister takes action, he must always keep social peace and national unity in mind. He must never, for personal gain, provoke conflict with the provinces or pit one province against another.

By going back on his word, the Prime Minister did not live up to our expectations of him. The Premier of Newfoundland is talking about a slap in the face while the Premier of Quebec is talking about unilateral federalism.

I want to understand. Insulting premiers, going back on his word and going after certain provinces, is that his idea of open federalism?

[*English*]

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, I commend to the member opposite the section on equalization in the budget. It is at page 189 and the subsequent pages. He should look at the chart on page 35 and look at the remarkable increases in equalization payments and transfers to the provinces.

This is a wonderful book. It is a great read in the evenings. I commend it to the member opposite. He will be edified by reading it.

* * *

[*Translation*]

GENOME CANADA

Mr. Pierre Paquette (Joliette, BQ): Mr. Speaker, despite what the Minister of State just said, the Conservative budget says nothing about the government's intentions regarding Genome Canada.

I have here a CP wire story that came out at noon today reporting that Genome Canada has announced to its European partners that, for lack of federal funding, it must withdraw from some of this year's projects. The question is simple. Will the government continue to fund Genome Canada this year and in years to come, yes or no?

[*English*]

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, as I have already mentioned, Genome Canada has two five year contracts. It is in year three of those five year contracts. It is receiving \$106 million this year and \$108 million next year. In fact, it has the funding to carry it through to March 2013. The member needs to get his facts correct.

* * *

• (1435)

[*Translation*]

THE ENVIRONMENT

Ms. Christiane Gagnon (Québec, BQ): Mr. Speaker, since 1978, the federal government has known that the water table that provides water to the residents of Shannon is contaminated with TCE, and it has not done the right thing. This is an unspeakable scandal, and the federal government must answer for its negligence and take responsibility immediately.

Oral Questions

Will the Minister of National Defence acknowledge his responsibility and offer the aggrieved citizens fair financial compensation?

Hon. Peter MacKay (Minister of National Defence and Minister for the Atlantic Gateway, CPC): Mr. Speaker, the department continues to work with the city of Quebec, the community of Shannon, the province of Quebec and various federal departments.

[English]

This problem does go back to the year 2000. We understand there are obligations that will be met. Valcartier is continuing to provide potable water to the community as we speak. Upwards of \$19 million have been spent with respect to this issue. We continue to work to address this issue and the presence of TCE in the water in the region.

* * *

[Translation]

THE BUDGET

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, with Liberal support, the Conservatives' budget will exacerbate social inequalities by attacking women's rights and making pay equity a negotiable right. It comes as no surprise that the only time women are mentioned in the budget is in the preliminary note in the French version, which states that the use of the masculine gender includes both women and men.

How can the minister explain this setback for women's rights? Does he think that his ideology is more important than rights?

[English]

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, what I do not understand from the member is why she believes that women will have to wait 15 years in order to resolve pay equity complaints.

It has been clear from a task force that the Liberals put forward in 2004 that there needs to be a proactive system of resolving pay equity complaints.

The government is committed to that. We simply do not believe that women should have to wait 15 years in order to have these complaints resolved.

[Translation]

Mr. Luc Desnoyers (Rivière-des-Mille-Îles, BQ): Mr. Speaker, in this Liberal-supported budget, the Conservative government has announced that it will introduce legislation to ensure the predictability of federal public sector compensation during this difficult economic period.

Does this mean that the government intends to tear up the collective agreements it signed with its employees and force them to accept new, non-negotiated salary conditions?

[English]

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, many of the public sector unions realize the difficult situation that Canada is in as a result of the global recession. I believe the unions have taken a responsible attitude toward their

collective agreements and the settlements they have entered into with the Government of Canada.

* * *

[Translation]

NUCLEAR ENERGY

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, when it comes to nuclear safety, public confidence in the government is dwindling day by day. The government did not tell the public about two leaks at the Chalk River facility. We are tired of asking for reports.

Can the minister tell the public, today, why the cause of the radioactive leaks remains unknown?

[English]

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, I am very concerned about the issue raised in the media regarding the Chalk River facility. This Conservative government always has the health and safety of Canadians as its priority concern.

Indeed, today, the CNSC, the Canadian Nuclear Safety Commission, has assured me that there is no leak into the Ottawa River, but I still asked for a report from the officials in my department, as well as the Canadian Nuclear Safety Commission, to get to the bottom of this.

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, if the government is concerned about the health and safety of Canadians, it has a strange way of showing it: keeping the public in the dark about radioactive spills, dodging responsibility and serving up non-answers. Such behaviour only adds to the mistrust of Canadians for the government.

Why do reporters appear to know more about this nuclear safety breach than the department, the minister and, apparently, the Prime Minister?

● (1440)

Hon. Lisa Raitt (Minister of Natural Resources, CPC): Mr. Speaker, as I have indicated to the House before, I was informed there were difficulties at the Chalk River facility on December 6. However, I was not aware of some of the details that have subsequently come to light. That is why we have asked the department officials as well as the Canadian Nuclear Safety Commission to get to the bottom of this and to report their results to me. I look forward to that report.

* * *

INFRASTRUCTURE

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, on November 15, 2007, the transport minister held a \$50 million photo op for the Ottawa Congress Centre expansion but no money flowed.

Again on September 5 last year, on the verge of the last election, the minister held another photo op and forgot to bring his wallet.

I understand that this morning both the minister and the Prime Minister showed up for their photos. Would the minister please tell us whether they bothered to bring a cheque this time?

Oral Questions

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, we are excited to be partners with the Province of Ontario for the Ottawa Congress Centre expansion.

I was very pleased to join the Prime Minister and see the literally hundreds, if not thousands, of jobs that are being created by this \$160 million project.

I asked the man appointed by Dalton McGuinty to head up this project if he was satisfied with all the support he was getting from the federal government, and he said yes.

Ms. Joyce Murray (Vancouver Quadra, Lib.): Mr. Speaker, the minister's department confirms that only \$80 million of the \$1.5 billion allocated for the building Canada fund has actually left federal coffers. That is five cents on every dollar promised. The minister brags about projects that are piled on his desk. That is precisely the problem. Municipalities are ready to get to work and his government will not let them get out of the gate.

When will the minister stop with the meaningless photo ops and get the cheques into the hands of the communities that need them?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, this government was very pleased to support the Canada Line that goes through guess who's riding? The member for Vancouver Quadra. We are working tremendously well with the Government of British Columbia on the west coast. Together, we will create a lot of jobs, a lot of hope and a lot of opportunity. This government is committed to working hard and getting the job done.

* * *

CONSUMER PRODUCT SAFETY

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, Canadians want to know that the products they buy for themselves and for their children are safe.

Could the Minister of Health tell the House what action the government has taken to strengthen consumer product safety?

Hon. Leona Aglukkaq (Minister of Health, CPC): Mr. Speaker, protecting and promoting the health of Canadians, their families and their communities is a priority of this government. Canadians should have confidence in the consumer products they buy, which is why we have reintroduced the Canada consumer products safety act. This is about equipping our government with the tools needed to respond quickly and effectively to protect Canadians.

I call on all the opposition members to support our legislation and to help Canadian families.

* * *

STEEL INDUSTRY

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, yesterday, the U.S. House of Representatives passed its \$825 billion economic stimulus bill with the pledge to support its industries and buy American iron and steel. With billions in tax dollars promised to be spent in this country, we should ensure that Canadian industries and Canadian workers are the ones who will get the actual benefit.

Why does the Prime Minister not implement our own buy-Canadian program instead of his current program that sees Navistar truck workers thrown out of their jobs and a bunch of Texans hired? Will the government look after Canadian steelworkers like their counterparts south of the border? Will it act this time?

Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, we are watching that legislation very carefully because history is clear that protectionism does not stimulate economies. As a matter of fact, protectionist measures are a drag on economies. We are a trading nation. We are prosperous because the products and services that Canadians make and export around the world bring those returns to our country and also benefit other countries. We are going to ensure that the United States lives up to its obligations under the WTO and under NAFTA. There are clear legal obligations there and we will engage with it to ensure it sticks with them.

● (1445)

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, like they watched carefully while thousands of Canadians lost their jobs.

Canadian steel companies have been potentially sideswiped by the America bill. We have Americans who are looking for ways to get their economy and their industries working. We should too. That way we can assure that Canadian dollars pay for Canadian steel to build Canadian buildings and Canadian bridges. With buy-Canadian provisions we can benefit from every stimulus dollar.

Other countries are investing in their workers and in their industries. Why is the government not doing the same?

Hon. Stockwell Day (Minister of International Trade and Minister for the Asia-Pacific Gateway, CPC): Mr. Speaker, the G-28ers in Washington, just at the end of last year, were very clear in their declaration that the country should not lapse into protectionist measures.

We can look at history back as far as the Great Depression and we see that those protectionist measures that were followed then by the United States took what could have been a very bad one or two-year recession and made it go into a depression because of the retaliatory measures that other countries were forced to take. There are clear legal obligations that countries, which belong to the WTO and certainly to NAFTA, as the United States does, must follow and we will engage with them to ensure they respect those obligations.

*Oral Questions**[Translation]***INFRASTRUCTURE**

Mr. Jean Dorion (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, this government has said time and again that it will respect the jurisdictions of Quebec and the provinces. Yet the Minister of Finance announced in his budget that he will make direct loans to municipalities for infrastructure, going over the head of the Quebec government.

Can the Minister of Finance explain how this respects Quebec's jurisdictions?

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, programs that are put in place have always respected the municipalities, stakeholders in Quebec and all the provinces. Let us wait and see what the new programs involve. The budget has been tabled, and we are working on these programs.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, the Minister of Finance has no more credibility when he claims to want to respect the jurisdictions of Quebec and the provinces. The proof is in his latest budget. He is going to invite private contractors directly to build recreational facilities in municipalities.

How can the Minister of Finance still claim to respect the jurisdictions of Quebec and the provinces when, with this measure, he will not only be going over Quebec's head, but over the heads of the municipalities? So much for respecting jurisdictions.

Hon. Denis Lebel (Minister of State (Economic Development Agency of Canada for the Regions of Quebec), CPC): Mr. Speaker, as I just said, the programs will be unveiled in the coming days, and we will respect our partners, as usual.

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*[English]***RCMP**

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, the Conservative government gave the RCMP a nasty present just before the holidays. It ripped up its wage agreement, a wage agreement the Prime Minister himself announced. This wage agreement simply gives the RCMP wage parity with other police forces and was a dishonourable act to those who serve and protect us in the force.

Will the government do the right thing and honour this negotiated agreement, yes or no?

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, a responsible approach to public sector compensation is critical during a time of economic uncertainty. Everyone is being asked to do their share to help manage government expenditures in the public interest. The RCMP is not being singled out in this respect. It is being treated exactly the same way. It is reasonable and responsible for the government to apply the same wage increase guidelines for every federal employee.

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, a responsible approach is to keep one's word.

Once again, the Conservatives say one thing and do another. They claim to support the RCMP and yet break a negotiated contract they signed just to give parity with other police. They say that public safety is a priority and then undercut those on the front lines and badly damage recruitment.

Will the Prime Minister honour his word, the promise he personally made to RCMP officers? Will he stand in this House and tell them what his word is worth?

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, I find it ironic coming from a Liberal, the government that cut the funding for recruits and training, the government that cut Depot, in fact closed down Depot in 1998 and never restored the amount of training required.

This government has increased the training of officers to 1,800. At a time when officers were retiring, the Liberal government not only shut down Depot but refused to hire more officers. We are doing what is necessary for the RCMP.

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● (1450)

SCIENCE AND TECHNOLOGY

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, the fact that Genome Canada's funding is even in question shows 19th century thinking for a 21st century problem.

South of the border, President Obama is doubling funding to research. He knows that research will create the jobs in the new economy. What does our government do? It is throwing into question 2,000 jobs and, on top of that, creating uncertainty for our best and brightest.

Will the government send a clear message to Canada's scientific community and commit to stable and even greater funding to Canada's research institutions?

Hon. Gary Goodyear (Minister of State (Science and Technology), CPC): Mr. Speaker, this Prime Minister brought forward a science and tech strategy in 2007 and backed it up with increased funding for science and technology in every budget, including this week with \$3.4 billion in new funding for science and technology, which, in all those previous budgets, that member and her party voted against.

[Translation]

Ms. Niki Ashton (Churchill, NDP): Mr. Speaker, the government does not understand anything. Why is there still uncertainty? Universities are more than just concrete. They need students, professors and researchers.

What is the government doing to help students reduce their debt load, and what is the government's commitment to research in our institutions?

Oral Questions

An entire generation of students, researchers and teachers will be lagging behind the best in the world because of the Conservatives' inaction and bad decisions.

What is the vision of the future for Canada and Canadians in terms of post-secondary education?

Hon. Diane Finley (Minister of Human Resources and Skills Development, CPC): Mr. Speaker, the economic action plan that the minister tabled this week includes a plan for training.

[English]

Our skills and training transition program will help those who are in school stay in school. It will build more space in colleges and universities so that people can get the training and skills they need for the jobs of the future. It will provide training through EI for those who are unemployed and eligible for EI, as well as for those who are not eligible for employment insurance, because we want them to be ready with the skills for the future.

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EQUALIZATION PAYMENTS

Mr. Rodney Weston (Saint John, CPC): Mr. Speaker, today's newspaper reports claim that the province of Nova Scotia has been negatively impacted by the budget brought in by our government this past Tuesday.

Would the Minister of Finance please clarify these reports for the benefit of the House?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, in November 2008 we took steps to restrain equalization to prevent the program from becoming unsustainable. We stated then that we would ensure that total cash payments in 2009-10 are no lower than those of 2008-09. As a result of the new growth plan, the federal government and Nova Scotia agreed on a transition payment. Nova Scotia's government has accepted this agreement and has indicated its satisfaction with it. It does not affect the equalization payments of any other province. As Premier MacDonald said, "We're still receiving the \$75 million. There is no clawback. We are receiving the full amount."

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PAY EQUITY

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, the Conservative government refuses to end its attack on pay equity and the women of Canada continue to suffer as they make 70 cents for every dollar made by their male counterparts. Equal pay was the first bill signed into law by President Obama. The women and the families of Canada want the same fairness and they deserve the same equality.

As the minister of state enjoys the same pay as her male colleagues, will she do the right thing, stand up for the women of Canada to ensure that they receive the same benefits?

Hon. Vic Toews (President of the Treasury Board, CPC): Mr. Speaker, what I find incredibly difficult to understand is why that member chooses to stand with her colleagues and insist that women should have to wait 15 years in order for a pay equity complaint to be resolved.

We have brought forward suggestions how this could be done on a proactive basis, much like the Liberal government did in Ontario some time ago, backed by the member for Toronto Centre when he was the head of the NDP.

It seems to have worked in Ontario. Why will they not give that same chance to all of the people in the federal public sector?

* * *

• (1455)

[Translation]

375TH ANNIVERSARY OF TROIS-RIVIÈRES

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, Trois-Rivières has been celebrating its 375th anniversary since the beginning of the year. The government of Quebec provided \$2 million for the festivities and the city itself has contributed. Only the federal government stubbornly refuses to provide financial support for this event.

Does the Minister of Canadian Heritage and Official Languages plan on providing support for the 375th anniversary celebrations in Trois-Rivières as was promised by his party during the last election campaign?

Hon. James Moore (Minister of Canadian Heritage and Official Languages, CPC): Mr. Speaker, according to a press release from January 21, 2008, the city of Trois-Rivières was named a Cultural Capital and is eligible for \$2 million in funding. Mayor Yves Lévesque was happy to hear that the historic city would be named a Cultural Capital of Canada. He said, "This prestigious title will help us finance a series of cultural activities for the 375th anniversary celebrations for Trois-Rivières."

They asked for \$2 million, and they will receive \$2 million. It will be a great celebration in partnership with the federal government.

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[English]

INFRASTRUCTURE

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, the budget revealed that \$8 billion did not leave government coffers and get into the hands of those who need it. No wonder municipal leaders are having a hard time trusting the Conservative government will actually carry forward on its promises. For example, municipalities estimate only \$300 million of the \$1.5 billion of the building Canada fund has been allocated.

Are the mayors actually going to see the money they need, or are they just going to see their plans tied up with a failed Conservative policy?

Hon. John Baird (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, it is this Prime Minister and this Minister of Finance who have delivered record amounts to support infrastructure in this country. What did that member do? He refused to even read the budget and is saying he will vote against it.

Let us look at the what the president of the Federation of Canadian Municipalities said:

Business of the House

[T]he federal government took concrete action to create new jobs, fight the recession and invest in a safer, greener, more competitive Canada.

The premier of the Northwest Territories came forward with his infrastructure plan, and within three hours this government approved it.

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THE ENVIRONMENT

Mr. Merv Tweed (Brandon—Souris, CPC): Mr. Speaker, on Tuesday our government outlined a strong plan to confront many of the challenges facing Canadians. Can the Minister of the Environment tell this House what action this government is taking to build a greener Canada, and what targeted investments we are making to improve Canada's environment?

Hon. Jim Prentice (Minister of the Environment, CPC): Mr. Speaker, I would like to thank the hon. member for the question and for all of his hard work with respect to this file.

The budget has confirmed our continuing commitment to the environment with initiatives such as a new fund for green infrastructure, support for eco-energy retrofits, a dedicated fund for clean energy projects, including renewable energies, major investment as well for energy retrofits for social housing, and advanced dollars on federal contaminated sites. That is quite a list, quite a record.

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EQUALIZATION PAYMENTS

Mr. Bill Casey (Cumberland—Colchester—Musquodoboit Valley, Ind.): Mr. Speaker, the Minister of Finance just referred to a transition arrangement with Nova Scotia. I understand this is a verbal agreement for a \$75 million payment.

I have two questions. Will the minister table the details of this \$75 million verbal agreement? Is the transition payment for only one year, or will there be a payment for each year until the equalization deal expires in 2014?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, the agreement was reached with the premier of Nova Scotia. It follows on our discussions at the beginning of November 2008. The commitment of our government was that we would ensure that total cash payments in 2009-10 are no lower than in 2008-09. I have already read to the House the approval of the premier of Nova Scotia. I can assure the member opposite that the sum involved is budgeted.

• (1500)

Ms. Judy Foote (Random—Burin—St. George's, Lib.): Mr. Speaker, we hear of the Prime Minister making side deals with one province while deliberately harming another. The Conservatives are sending a clear message to the people of Newfoundland and Labrador that they simply do not count by taking \$1.5 billion away from them, money that was already agreed to.

What moral authority does the Prime Minister have for not voting the way people wanted him to?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, as I pointed out earlier, Newfoundland and Labrador will still receive a projected \$1.2 billion in offset payments between 2009-10 and 2011-

12. It is still open to the government of Newfoundland and Labrador if it chooses to enter into the O'Brien formula, as has been done by others.

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BUSINESS OF THE HOUSE

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I have the usual Thursday question about procedure in the House. I wonder if the government House leader would inform us of the details that he expects to deal with in the House tomorrow and through all of next week.

In particular, we would be interested to know when the government intends to bring forward its budget implementation bill. We would appreciate the government's assurance that that bill will in fact deal precisely and exclusively with matters raised in the budget and not, like last year, attempt to bootleg a whole bunch of other issues into the budget bill illegitimately. It would be useful for the expeditious work of the House if the budget bill focused on the budget and did not try to deal with a whole bunch of other items.

Finally, with respect to the standing committees which are now being struck, particularly for the purpose of considering the supplementary estimates, will the government ensure that all ministers will appear in person before the appropriate committees to defend their estimates before the middle of February?

Hon. Jay Hill (Leader of the Government in the House of Commons, CPC): Mr. Speaker, I note that it used to be called the Thursday question, not Thursday questions, but I will try to deal with the items that my hon. colleague raised.

This afternoon we intend to continue with day two of the budget debate and dispose of the subamendment at 6:30 p.m.

Pursuant to the Speaker's ruling yesterday, following the vote on the subamendment, there will be an emergency debate on the transit strike that is presently ongoing here in Ottawa.

Tomorrow will be day three of the budget debate, following which the question will be put on the Liberal amendment. Pursuant to Standing Order 45(6)(a) that vote will be deferred to Monday, February 2 at 6:30 p.m.

Until the House votes on the Liberal amendment we cannot continue with the debate on the budget, so we will interrupt that debate and call the Canada-European free trade bill for Monday.

Tuesday will be the final day of the budget debate.

Wednesday's debate will be the continuation of the Canada-European free trade bill.

Thursday, February 5 shall be an allotted day.

On Friday, February 6 we will begin debate on the budget implementation bill. I ask my hon. colleague to be patient and see what is contained in this terrific budget implementation bill when it comes forward.

The Budget

I would add that, as everyone is aware, the transit strike in Ottawa has gone unresolved for a very long time. The government is considering measures to resolve the matter and discussions between parties are ongoing. Clearly, those discussions may have an impact on the business which I just laid out. When I have more information on this particular subject, of course I will return to the House.

As is always the case with our Conservative government and our wish for transparency and openness, all of my ministerial colleagues will try their best to adjust their schedules to be available to the standing committees which hold them accountable.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, in addition to the questions that were asked by the House leader of the official opposition I would also like to ask a question of the government House leader. The visit of the newly elected President of the United States, President Obama, to Canada is on February 19 and is something that is much welcomed and much anticipated. However, as the government House leader knows, February 19 is not a day that Parliament is sitting, but I am sure that all members would want to hear the President. I would like to ask the government House leader if he would agree that February 19 be designated as a special sitting day so that all members may receive and hear the new President of the United States in this House on his first visit to Canada.

I ask the government House leader if he would designate that as a special sitting day.

• (1505)

Hon. Jay Hill: Mr. Speaker, with all due respect to my hon. colleague, I think that this is the type of thing that should be discussed between House leaders. I find it more than a little ironic that we were about to undertake yet another House leaders meeting where all four of the parties get together to try to deal with issues of importance to the House of Commons and this chamber.

Certainly, in the case of the much anticipated visit of President Obama, he is coming to Canada on his first foreign visit and we are very pleased about that. The details of that visit quite naturally will be worked out between the two leaders' offices, between the office of the Prime Minister of Canada and the office of the President of the United States.

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POINTS OF ORDER

ORAL QUESTIONS

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): Mr. Speaker, during question period, the President of the Treasury Board, in response to two questions by my colleagues from Victoria and Ajax—Pickering, responded to the issue of cutbacks on RCMP officers with the following, “The cutbacks apply to everyone”.

I am wondering if the minister would now be prepared to table the supporting documents to demonstrate that senior RCMP managers not only retain their bonus eligibility and increased pay, but also their merit bonuses. I think it is important to ensure there is clarification of that statement.

The Speaker: I guess we will hear further about tabling of documents in due course. I am not sure that the minister referred to a

document so I am not sure it is within the jurisdiction of the Chair to demand that some document be tabled at this point.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government, of the amendment and of the amendment to the amendment.

Mr. Ben Lobb (Huron—Bruce, CPC): Mr. Speaker, I am pleased to rise in the House today for the first time to participate in the budget 2009 debate. I will be splitting my time with the member for Edmonton—Leduc.

I will begin by thanking the good constituents in Huron—Bruce for putting their faith in me on October 14 and allowing me to represent them in Ottawa. I would like to thank my family for their hard work and support and I would like to thank all of the dedicated, hard-working volunteers. Without their generosity I would not be here today.

A synchronized, global recession is hitting every economy in the world. Canada, as a great trading nation, is feeling the effects. On January 27, the hon. Minister of Finance delivered Canada's economic action plan. This plan will stimulate the Canadian economy to protect Canadians during the global recession and to invest in our long term growth. Our government built this plan after one of the broadest and deepest consultation processes in Canadian history. We heard Canadians' concerns about their jobs, savings, families, businesses and communities. We listened to their concerns and we took their advice.

This government is taking action. Budget 2009 will benefit Huron—Bruce dramatically. Over the past few years, we have continued to see the economy in southern Ontario deteriorate. For example, the unemployment rate in Ontario has risen in recent months and has been above the national average for unemployment rates for two years. In spite of these realities, 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.

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.

On Tuesday, in response to Ontario's economic challenges, the Minister of Finance announced \$1 billion for a southern Ontario development agency. This is good news for Huron—Bruce and all the ridings in southern Ontario. This agency will provide programs that support economic and 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.

The Budget

In addition to the regional programs, the Canadian skills and transition strategy will help to strengthen the benefits for Canadian workers, enhancing the availability of training and freezing EI rates at the lowest payroll tax in the world. This government has taken action to provide a broad range of financial support to help individuals and their families in difficult times, not only in Huron—Bruce, but across Canada.

These initiatives will support Canadians in the short term as well as help them find long term job prospects with investments in training. Budget 2009 has extended the work-sharing agreement by 14 weeks to a maximum of 52 weeks, so more Canadians can continue working. In addition, for two years we will increase EI entitlement benefits by five extra weeks, increasing the maximum benefit duration to 50 weeks from the previous 45 weeks. To help workers who participate in longer term training, this government is investing \$500 million over the next two years to extend EI benefits. This will help an additional 10,000 workers.

We are doing more. This government is also investing \$1 billion to enhance the availability of training delivered through EI programs over the next two years. We are also helping individuals who do not qualify for EI training, such as the self-employed or those who have been out of work for an extended period. Over the next two years, this government will invest \$500 million in a strategic training and transition fund to support these individuals.

Since being elected in October, Huron—Bruce has experienced plant closures, layoffs and numerous people out of work. These programs will go a long way in Huron—Bruce to help our hard-working constituents retrain and get back into the workforce.

● (1510)

Budget 2009 also announced new measures for the agriculture industry. Farmers in Huron—Bruce continue to strive to develop innovative, high-quality food products for Canada's families and markets abroad. In turn, farmers provide a strong economic foundation for the rural communities in which they live and work.

The Canadian farm sector has not been isolated from the current economic downturn. The government will implement a five year, \$500 million agriculture flexibility program, AgriFlex, that will facilitate the implementation of new initiatives both federally and in partnership with the provinces, territories and industry. This program will help the agriculture sector improve its competitiveness and respond to market challenges. In addition, the government will invest \$50 million over three years to strengthen slaughterhouse capacity in various regions of the country to support the livestock sector.

Budget 2009 also announced proposed amendments to the Farm Improvement and Marketing Cooperatives Loan Act to help make credit available to new farmers, support intergenerational farm transfers and modify eligibility criteria for agriculture co-operatives. Without a doubt, this government has taken action. This budget ensures that many of the key concerns that Canadians had are addressed.

In addition to the building Canada plan, this government announced an additional \$7 billion in infrastructure spending. This investment will create jobs and revitalize our transportation network

with repairs to our roads, bridges, highways and rail links across the country. Huron—Bruce is a good example of this investment, with \$750,000 allocated for pier rehabilitation to the South Hampton Harbour. We are doing more.

Budget 2009 also includes tax cuts for low and middle income families. The basic personal amount of taxable income will be raised from \$9,600 to \$10,320 per year. This will allow Canadians to earn more before they have to start paying taxes. This government has also increased the first and second personal income tax brackets to allow earnings to be taxed at a lower rate. This will put more money back in the pockets of Canadians.

We have effectively doubled the tax relief provided by the working income tax benefit to help low income Canadians over the welfare wall and into gainful employment. We have also created a home renovation tax credit that will provide incentives of up to \$1,350 for Canadians to undertake new renovation projects or accelerate planned future projects.

This budget also provides numerous investments in social and affordable housing to provide Canadians with quality housing at affordable rates. These investments will help lower income families and individuals access safe, affordable and quality housing, build a stronger future and help to create sustainable communities. We will invest \$1 billion to upgrade up to 200,000 social housing units across this country.

Budget 2009 will also invest \$400 million for the construction of social housing units for low income seniors and \$75 million over two years for the construction of social housing units for persons with disabilities. These investments will provide support for some of the most vulnerable in our society while providing short term stimulus relief to the Canadian economy.

In conclusion, there is no doubt that we are taking action to address the economic crisis for all Canadians. It is only through a strong economy that Canadians can create the quality of life and standard of living to which we all aspire within the context of today's economy.

Budget 2009 demonstrates the government's continued commitment to the economy and this country. This is the responsible federal leadership that Canadians rightfully demand and deserve. This is real action and real results for the Canadian economy.

● (1515)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, one of the points the member raised was the matter of freezing EI rates at the current levels. For the lay person that may sound like a good thing, because we are not going to increase them, but the fact remains that the EI fund remains operating on an annual surplus.

The Budget

EI rates have been going down each and every year for the last dozen years. Reducing and continuing to reduce EI rates will lower the payroll burden for companies, which pay 1.4 times the amount of the premium paid by employees, and also put more money into the hands of employees. I hope the member understands that freezing EI rates would basically hurt companies and employees.

There was a story on the news last night about a worker who spent 14 years with an employer. He had uninterrupted work and paid his EI premiums throughout. He switched jobs due to layoff, and there was a gap in his employment record. After some years he was laid off again, but he did not qualify for benefits.

Would the member share his views on whether that kind of employee should participate in benefits from a plan that he has paid into for so many years?

Mr. Ben Lobb: Mr. Speaker, I would like to point out to the hon. member that the Minister of Human Resources has taken an unprecedented approach to this budget with respect to employment insurance. She consulted with numerous groups from coast to coast. She heard recommendations, and they have been implemented in the budget. I am speaking of recommendations such as a five-week extension for EI payments and tremendous benefits to people who have lost their jobs, such as dollars for retraining and dollars for self-employed people who have a child. These are the kinds of actions the government has taken.

Let us also not forget the tremendous opportunity we have for retraining. It is important that people who have lost their jobs, such as colleagues I used to work with at Westcast Industries in Wingham, Ontario, be given the ability to get retrained so that they can get back into the workforce. These people are hardworking people and the backbone of this country.

• (1520)

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, I listened to the member intently when he spoke of our tremendous plan to bring Canada out of this recession quickly during this very difficult time. He mentioned some of the great things that are happening.

However, I would like to talk about the difficult choices we have to make. Our planning is basically the beginning of a new deal to get Canada out of this recession, but some of the choices we made go against the grain.

We as a Conservative Party and a Conservative government prefer balanced budgets and modest surpluses, but during certain times deficits have to be incurred in order to get out of a particular difficult situation.

I ask the member to reflect on those difficult choices and to talk about them. Perhaps he could think of some other governments that had difficult choices to make. I ask the member to talk about the choices we made to maintain certain types of funding that in previous times would have been cut back.

Mr. Ben Lobb: Mr. Speaker, I can tell the member what this government is not going to do. We are not going to balance the budget on the backs of provinces and municipalities, as the previous government did. We are not going to make cuts to health care, as the previous government did.

This government is committed to Canada. We are committed to health care and to our communities from one coast to the other.

That is why I was encouraged to see this government take a bold process and go from coast to coast in a collaborative approach to get feedback from all stakeholders in communities. We have put forth a budget that is truly an economic action plan that all Canadians can be proud of, especially the people of Huron—Bruce.

That is what this government is going to do.

Mr. James Rajotte (Edmonton—Leduc, CPC): Mr. Speaker, it is a real pleasure to rise today to address the economic action plan for Canada that was introduced by the Minister of Finance on Tuesday of this week.

I think all members of this House can agree that these are extraordinary times in terms of the global recession in which we find ourselves. We all know that the first signs probably started with the housing crisis in the United States, but it then went on to the financial markets crisis. Around the world, financial institutions that had been in existence for decades found themselves completely insolvent.

The reality is that we are in unprecedented times, and unprecedented actions are required on the part of governments around the world. We have seen the United States Congress acting today in terms of their stimulus package.

We have to recognize that actions taken by past governments, actions by our government and by governments of other political stripes as well, have placed Canada's financial system and fiscal situation in much better positions than is the case in other countries.

In terms of our financial system, the IMF has recognized that our system of governing banks, the Bank Act, is certainly much better than that of our colleagues to the south.

As well, although our fiscal situation in the 1980s and the 1990s—our debt-to-GDP ratio—was probably the worst in the G7, it is now the best in the G7. That improvement is a credit to successive governments, and certainly to our government for paying down \$37 billion of debt in the last two and a half years. I think that is one of the Conservative government's proudest achievements.

However, we have to recognize that times are extraordinary, and rapid changes are going on. If members think back to the late summer and early fall, the main issue was the rise in gasoline prices, partly caused by the rise in crude oil prices. At that time of rising crude oil prices, the investment bankers in New York, some of the smartest people in the financial sector, were saying oil prices would never go below \$60 a barrel. Now we have oil prices between \$30 and \$40 a barrel.

Therefore we have a very fluid situation, as the minister mentioned in his budget speech. We have to act now, but we have to realize that projections are going to be fairly fluid, and we will have to react very quickly.

The Budget

We have put forward an economic action plan in terms of investing in infrastructure. People like Dale Orr have recommended that accelerating infrastructure projects, especially smaller infrastructure projects, can act as a stimulus and can act as a counterbalance in terms of the decreased spending.

As well as accelerating infrastructure projects, we are building on the gas tax transfer that was made permanent by our government. We are investing in roads, bridges, water, and waste water facilities. We are also expanding the definition of infrastructure to look at broadband and telecommunications, rather than looking at infrastructure only in the traditional sense. There is investment in people through retraining, ensuring that those who suffer unexpected jobs losses have the assistance to see them through these tough times. Unfortunately the last two months of 2008 showed a decline in the number of jobs in Canada, a trend that had not been present in the first half of 2008.

In the time remaining I would like to address some of the tax policy issues, some of the changes for small businesses, and some of the things we have done for manufacturing. Then I will talk about some of the finance and credit issues.

In terms of tax policy changes, the previous speaker mentioned some changes we have made to the basic personal exemption. We have raised that exemption, which obviously creates tax savings for all Canadians, especially those at lower income levels. The marginal rates of taxation certainly help people in the lower and middle income ranges.

We are raising the level for the national child benefit supplement for low-income families, as well as the Canada child tax benefit. Those programs, which were introduced by the former government, are certainly valuable in terms of providing benefits for lower-income families with children.

There is also the working income tax benefit and the increase to the age credit amount for seniors to ensure that they have the funds necessary to survive these times.

In terms of small businesses, we have moved the rate of taxation for small businesses from 12% to 11%. We had moved the income eligible from \$300,000 to \$400,000; in this economic action plan we move it up to \$500,000. There is increasing access to credit for small business through proposed amendments to the Canada small business financing program and the Business Development Bank of Canada. We are providing \$30 million over two years for the Canada business network, and allocating \$200 million over two years to a program that I think works very well, the National Research Council's industrial research assistance program.

• (1525)

Small businesses across the country tell me it is a very effective program, not only at providing needed funds but also at providing mentorship and advice to smaller companies to ensure they can grow into that mid-sized level.

In terms of the manufacturing sector, our industry committee did a report in February 2007. In the March 2007 budget the minister introduced a two-year manufacturing writeoff. Our committee had recommended five years. In 2007 the minister put it in place for a two-year period. In the 2008 budget he extended it for three years. It

was initially at a declining rate, but in this budget he has put it so that we have the full five years. We will have it for 2010-11.

We will have the full five years in terms of the two-year writeoff for manufacturers. This means they can upgrade their machinery and equipment much more quickly. They can write it off much more quickly, so not only can they become more productive, but by accessing new machinery and equipment, they can also obviously become more environmentally sustainable.

This is why organizations like the Canadian Manufacturers and Exporters association have responded very positively to this budget and to this economic action plan.

Financing and credit is the other issue they raise, and they raise it very strongly, as did other small business organizations. I want to thank these organizations, industries and businesses across Canada for raising this issue, because if companies do not have access to credit, they will simply not be able to survive or exist.

In response we have established the extraordinary financing framework, which provides up to \$200 billion to improve access to financing for Canadian households and businesses. It commits an additional \$50 billion to the insured mortgage purchase program, increasing the overall size of this program to \$125 billion. Lenders will be provided with stable, long-term financing, allowing them to continue lending to Canadian consumers and businesses.

The extraordinary financing framework delivers \$13 billion in additional financing by increasing the flexibility and capacities of the financial crown corporations, CMHC, Export Development Canada and BDC. This includes at least \$5 billion in new financing that will be delivered through enhanced cooperation between these financial crown corporations and private sector financial institutions under the new business credit availability program.

We have created the Canadian secured credit facility, with up to \$12 billion to support financing of vehicles and equipment for consumers and businesses.

We have extended the deadline for issuing guaranteed instruments under the Canadian lenders assurance facility, which helps ensure that lenders are not put at a competitive disadvantage when raising funds in global markets. This was agreed to at the G20 meeting, and our government has certainly acted upon it.

We have established a new Canadian life insurance insurers facility to guarantee wholesale term borrowings for life insurers, modelled on the Canadian lenders assurance facility.

We have facilitated the provision of extraordinary liquidity to financial institutions by the Bank of Canada, as required, through the modernization of the Bank's authorities in Budget 2008.

The Budget

I should note that the Governor of the Bank of Canada has certainly acted to complement the actions of our government. We have certainly introduced a plan for fiscal stimulus, but the Governor of the Bank of Canada has been very proactive in terms of trying to combat this recession through monetary policy. If we have learned anything from the mistakes of the past, from the Great Depression of 1929 and the 1930s, it was that monetary policy must not be tightened. The supply of money cannot be tightened when a recession period is entered. The governor has acted to lower interest rates to try to ensure that money is available through the system. He has also acted in terms of trying to provide as much confidence to the markets as possible.

We have also added a ten-year maturity to the Canada mortgage bond program to raise supplementary funding for financial institutions.

I know these measures sound very technical, but they are designed to ensure that money flows through the financial markets to companies so that they can pay their workers, and flows to individuals so that they can continue to borrow for mortgages, for car loans and for their needs. These measures are to ensure that the system continues to work as it should.

As a government, we have acted in this area. Our actions have certainly been warmly received by the Chamber of Commerce, by the Canadian Manufacturers and Exporters association, and by other organizations that see the need for businesses to continue to operate because we have this supply of money going through the system.

I look forward to questions from my colleagues.

• (1530)

Mr. Bruce Hyer (Thunder Bay—Superior North, NDP): Mr. Speaker, the Conservative budget, rubber stamped by the Liberals, had virtually nothing for forestry across Canada, and especially in northwestern Ontario. Tomorrow the fate of Thunder Bay Fine Papers may be decided in court in Thunder Bay.

The Minister of Industry has ignored this issue. I have repeatedly called his office and urged him to take action to save this unusual and unique mill, urging him to do what it takes to save Thunder Bay Fine Papers. He does not seem to care.

This mill is the only mill in Canada that makes the coated, value-added, glossy papers that we all use and appreciate for fine art, for coffee table books and for the political flyers that we all send to our constituents at election time.

How can we get the Minister of Industry to save the mill, to save thousands of jobs in Thunder Bay, to save the only mill in Canada that makes this kind of fine paper? How can we get the minister to notice, to care and to take action?

• (1535)

Mr. James Rajotte: Mr. Speaker, I appreciate the question because it is a very serious one. In fact it has been an area in which our government has acted.

If the hon. member looks at the budget, it provides \$170 million over two years for the forestry industry to cope with the tough times. The forestry industry will be very open in saying that it has a perfect storm in terms of the decline of housing starts in the U.S. It is a

perfect storm for the industry, coping with the changing dollar volatility over the last number of years. We have acted by providing \$170 million over two years.

The capital depreciation, the rate at which we can write off capital, was one of the strongest requests of the forestry industry in the last five years. That has been put in place, that five year term for a two year write off for equipment. The forestry industry has asked for that and we have acted upon it.

If the hon. member does not want to take my word for it, I will quote the Forest Products Association of Canada directly.

The government has clearly heard the message and embraced our vision of becoming the producers of the best quality, most innovative and greenest forest products in the world. And it understands that in order to get there Canada needs to attract investment and secure the jobs of nearly 300,000 skilled Canadians forest workers and the communities they work in.

Finally on this issue, it asked for an extension of the employment insurance work share program. That was acted upon in this action plan as well. The government has delivered, especially for the forestry industry and the workers and communities across Canada.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, I want to ask a question of my hon. friend, who does a very good job as the chair of the finance committee. I congratulate him for again being appointed to that position. It was an inspired choice.

We all know there are some parts of the budget that are very good and some that are wanting.

First, how can municipalities that do not have the one-third of funds access the funds the government is putting forth so they can have the infrastructure projects they need?

Second, we know that in this international contagion, this tsunami that has wafted across the global financial market, we need to have not only domestic regulations, but also international regulations that will enable us to prevent these things from happening.

Could my hon. friend tell us whether his government will push forth the single securities regulator for the country? What will his government do to work with other nations to prevent this economic tsunami from happening again? Common oversight; common regulations.

Mr. James Rajotte: Mr. Speaker, I am not yet elected to the chair of the finance committee, but I certainly hope to be. I hope he will encourage his colleagues on that side of the House to vote for me on Tuesday morning.

With respect to the infrastructure, obviously there are a lot more funds for infrastructure. We have made the gas tax funding permanent. We have to look at it as a full partnership between the federal and provincial and municipal governments. It is fair to say that all orders of government ought to contribute to infrastructure projects going forward.

There are some financing provisions, as the hon. member knows, in this economic action plan, which I encourage all municipal governments to look at and on which to work with the federal infrastructure minister.

The Budget

I am meeting with the mayor of the town of Devon tomorrow. I encourage members across the House to meet with their local representatives as well.

On the second point about the common securities regulator, the member is 100% right on that issue. That is something upon which our government has acted. It is certainly something on which we would hope all federal parties agree.

Ms. Ruby Dhalla (Brampton—Springdale, Lib.): Mr. Speaker, I rise today to speak to the budget on behalf of my constituents of Brampton—Springdale, a budget which impacts seniors, families, children, women and men not only in my own constituency of Brampton—Springdale but all of Canada.

In a time of growing economic crisis, many Bramptonians, like many other Canadians across the country, are suffering. They have been hit with the loss of their jobs either in the manufacturing or the auto sector, in the retail sector or at assembly plants.

If we take a look at my riding of Brampton—Springdale, the Chrysler plant has eliminated its third shift, the loss of 1,100 jobs. Eleven hundred families were impacted overnight. The Simmons factory has closed, with hundreds of other Bramptonians losing their jobs. ABC plastics has closed, and the list goes on and on when it comes to people losing their jobs and companies closing their doors.

The result of these people losing their jobs as companies close their doors is that thousands of families out there are struggling to make ends meet, whether it is that single mother worrying about how she will put food on the table for her children, or that father wondering how he will care for his family, or that family struggling to find a child care space, or those seniors having to make that very difficult choice of either filling up the medicine cabinet or their gas tank or their fridge.

We have known in the last month alone that over 100,000 Canadians have lost their jobs. I only have to go to an email that I received a short while ago in my office, which states:

“I have never written to any politician before but I write to you today out of desperation. After working for 22 years at a company I was told last week I was being let go. I have never known another job other than the company I worked for. I thought, when I was let go and the company was closing its doors, I would be able to apply for EI. I have just learned the wait period is for two weeks and then there is a massive backlog of another three weeks. Now almost four weeks later, I am without pay and I really don't know where to turn. I actually don't know where I'm going to be buying the next carton of milk for my baby. I know as I write to you I won't be able to get any money from you for the food that I so desperately need, but I am asking you to please tell your colleagues, your fellow MPs, that there are so many people out there like myself who were employed for years and years at one company and have been let go. All of us are looking for hope. We are looking for hope for a brighter future and a better tomorrow”.

Then there is the story of Mr. Beharry and Mr. Smalla, my constituents who came in to see me a few hours after they were informed that their company, ABC plastics, was closing its doors. They had been laid off. As I sat with both of these individuals, I learned that they had worked as well for almost two decades at the

same company. They were left on that day without any direction or resources as to how they would go on to rebuild their lives. As fathers, they were concerned about how they would feed their children, and as husbands, how they would support their families.

The story of Mr. Beharry and Mr. Smalla is like the stories of many other Bramptonians and many other Canadians across the country who are struggling. It is these Canadians, these Bramptonians like Mr. Beharry and Mr. Smalla, who were looking to this budget, who were looking to the government of the day for the leadership, for some action and really for a sense of hope for a better tomorrow.

As time has gone on, we have seen that the Conservative government of the day mismanaged the economy. The result is absolutely no leadership and then no action plan to help those people who are so desperately struggling.

We look once again at the area of Peel, where the issue of poverty and the gap between those who are rich and those who are poor continues to increase. We look at the issue of social housing in my riding, which has a wait list of more than 13,000 individuals, more than 30,000 people. The wait time to get into a housing unit is 21 years. It is these people on that wait list who were looking to the Conservative government and this budget for a sense of hope for a better future and a brighter tomorrow.

● (1540)

Let us take a look at the number of people who are accessing emergency shelters. In 2006 over 11,776 people accessed the emergency shelter in Peel. The region provided a total of 111,812 bed nights to those poor people, to those residents who are so incredibly desperate.

Unfortunately, the budget has delivered absolutely nothing for affordable housing and homelessness. We thought, and many of us hoped, that the budget would provide for a national housing strategy. There is absolutely nothing.

Canadians had seen, through previous Liberal governments, eight consecutive balanced budgets. Canadians were given a sense of hope with having one of the best economic records in the G8 and one of the highest employment rates and the lowest unemployment rates.

As my colleague so eloquently described it, as the tsunami hit the global financial markets throughout the world, many of the other G8 countries acted. They acted on behalf of their citizens and on behalf of their nations to provide stimulus packages. What did we have in Canada? We had the Prime Minister of the day denying there was an economic recession. We had the Prime Minister and the Conservative government denying there was the possibility of a growing crisis. We had thousands of people losing their jobs, having the door shut in their faces. We had seniors struggling to make ends meet, to pay their energy bills and their mortgage payments. They received absolutely no hope from the government.

The government told us there would be surpluses. A few months later, when the budget came out the other day, we all learned Canadians would be inheriting an \$84 billion deficit.

The Budget

Then the government promised a stimulus to help create jobs with infrastructure spending. One only had to read the fine print. Mayors across the country got ready because they heard about possible infrastructure spending. They presented their wish lists of shovel-ready projects, wish lists that were presented by municipalities and cities like Brampton which had a wish list that included the Trinity Common Terminal refurbishment project and the AcceleRide bus rapid transit projects. However, when they read the fine print, even though cities like Brampton have a wish list, which have been included in the city's 2009 budget, in order to access the infrastructure spending provided in the budget they must come up with the money. Many of these municipalities do not have the money.

We realize that the list submitted by the Brampton municipality would create an extra 21,000 jobs, jobs that are so desperately needed by many of my constituents. I hope the government will look at an action plan to ensure it provides the support to municipalities that do not have the opportunity to give some of the funding.

Before I go forward, Mr. Speaker, I will be splitting my time with the member of Parliament for Esquimalt—Juan de Fuca.

Let us look at some of the initiatives that were left out of the budget. When constituents lose their jobs, they look to EI for hope. However, the budget does not provide increased accessibility to EI. There will be no reduction in the wait time before an individual can receive EI benefits.

Those people were looking to this budget for hope. Unfortunately, they did not receive it. This is why our leader and my Liberal colleagues have put the Prime Minister and the government on probation to ensure that there is accountability, to ensure the funds that have been promised do not just look great as words on paper but are delivered to the municipalities and to the people who so desperately need them. Canadians across the country and constituents like mine in Brampton are looking to government. They are looking to all parliamentarians, regardless of their political stripe, to put aside their partisanship. They are looking to us for hope.

● (1545)

I think by working together in a spirit of cooperation, in a spirit of collaboration, we have an opportunity to give those people, who are struggling to make ends meet, the hope that they so desperately need for a brighter future and a better tomorrow.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, I was disappointed to hear the member refer to the fact that she thinks that she is putting this government on probation, as has been stated by her leader. What she of course does not understand is that her party only has a certain number of seats in the House and it is quite presumptuous of her and her party to suggest that they are putting government on probation.

In fact, it is the Canadian people, through an election, who either put us on probation, or give us approval. She will note that in the last election it was the Canadian people who gave this government an even larger minority government and more members to move ahead with the agenda that we placed before them.

Therefore, I would ask the member this. How does she square that when she is suggesting that she is putting us on probation when she

has no power to do that, and the fact is it is the Canadian people who have the power to do that?

● (1550)

Ms. Ruby Dhalla: Mr. Speaker, we are actually speaking up for those vulnerable people across the country, the seniors, the women, the men who have lost their jobs and are desperately struggling, by speaking up on their behalf and putting the government on probation to ensure that what it promises is what it delivers.

We have seen it time and time again, whether it was in regard to income trusts when the government said it would not tax them and it did; when it said it would have an elected Senate and then it appointed 18 senators in one shot; or when it said it would provide infrastructure funding and the dollars never got out the door. I think Canadians across the country have a very loud and clear message for the government. They are looking for leadership. They are looking for hope.

If the money does not come out the door of the government, it may be the Conservative government that is going out the doors of many Canadians.

Mr. Jack Harris (St. John's East, NDP): Mr. Speaker, I want to congratulate the hon. member for Brampton—Springdale on her very eloquent remarks about the inadequacies of the budget and the need for hope.

Let me tell the House what one constituent wrote to me about child care. She said:

It took me six months to find child care for my new child. I now have to return to work early in order to be able to afford my child care which I have to pay for immediately in order to keep my spot. I have a well-paying job, however, more than one full paycheque each month will go to child care.

P.S. I also know a social worker who has to take an unpaid leave of absence from her job because her child care provider quit and her child does not turn two until April and she cannot find anyone to care for her son.

Does the hon. member worry about women and families like that across the country who need child care? As I say, the member was very eloquent until the part when she spoke about probation and her new role as a probation officer for the government.

I wonder if she can tell us why, if she does care about the issues she talked about, she was unable to join with us in creating a government that would provide the kind of hope and answer the kind of needs that people like my constituent and the people she mentioned desire, and desire to have immediately in this country.

Ms. Ruby Dhalla: Mr. Speaker, I can definitely say that the issue of child care is one that I am very passionate about. I only have to take a look at many of the families in my riding. Many of the parents, some of whom are single mothers and single fathers, really struggle to find child care spaces.

It was unfortunate that one of the first initiatives of the Conservative government was to cut the early learning and child care agreements which would have actually created spaces and provided the opportunity for parents to ensure that their children received quality access that was affordable and that was universal in nature, and of extremely high quality in terms of its developmental approach for their children.

The Budget

Investing in children is going to ensure the success of the future of our country. It is unfortunate that the Conservative government provided almost \$100 a month which after taxes resulted in \$60 a month. I do not know where in this country one can find child care for \$2 a day.

I would hope that the Conservative government, moving forward in the coming months, would realize that investing in children, investing in early learning and child care would provide those families with hope, and would ensure the productivity and the success of our great country.

Hon. Keith Martin (Esquimalt—Juan de Fuca, Lib.): Mr. Speaker, it is a pleasure to speak today to this extremely important issue. I am going to give a bit of background but also offer some solutions that I hope will find some favour on the other side.

We know of the economic tsunami that has gone across the globe, one that has destroyed savings in our country and caused the loss of hundreds of thousands of jobs. We know it is in part a result of improper financial regulation and oversight not only here at home but internationally. I hope the government will provide some solutions and tell us and the rest of Canada what it is going to do to make sure that in our country we will have the sensible oversight and regulations to ensure we have a competent and effective financial system.

What I would also like to know is what it is going to do to work with our international partners to make sure we are going to have the global financial oversight and regulation, not excessive, not one that is going to destroy the markets but one to ensure that capitalism is going to work in an effective way for the good of people. It is extremely important.

It may want to consider using our folks at the IMF. I know the Clerk of the Privy Council was our representative at the IMF. He would be an excellent person to make sure that this is moved forward.

What we saw with the government and what happened before this crisis was, unfortunately, an absence of vision and imagination, an absence of implementing the effective solutions that could have in part insulated our country against the problems we see: the reduction of the GST, boutique tax cuts, an inability to look out into the future and make the investments in people, training and sensible tax reductions.

Those solutions, with prudent management of the public's finances, would have been much smarter in order to ensure we are going to have as much insulation on the situation we see before us today. That did not happen. The GST cuts in and of themselves cost the taxpayer \$14 billion in lost revenues to the government coffers.

When we look back in history and compare Liberals to Conservatives and Democrats to Republicans, what we find, ironically, and most do not know this, is that Liberals and Democrats actually have a better history of managing the public purse than Republicans and Conservatives. It is ironic, but it is true.

Where do we go from here? There are some good things in the budget to be sure, but these solutions will help us to have better solutions in the future.

The first thing is to pursue domestic and international changes. Second, let us make sure we put more money in the hands of those who need it the most. For example, EI reform is tentative. Imagine people who own homes, are part of the 70% of Canadians ineligible for EI and they lose their jobs. Those people are feeling pain. I would implore the government to work with the Liberal Party to change the EI system to make sure that more people are eligible, the benefits are better, people have better access to training, and are not deprived of benefits while they access training. That will enable them to take advantage of the economy of the future. If we do that, we will hit those who are hurting at this point in time.

Now to the issue of people's pensions. The pensions of those who have worked for companies and lost their jobs have vaporized along with their jobs. These people are living with grave uncertainty. My colleague spoke quite eloquently about people who cannot afford food, medications or rent to put a roof over their heads. This is going to cause catastrophic social changes in our country. We must work together to deal with those problems and prevent those things from happening.

Another solution is RRSPs to RRIFs. Please change that. There could be a two-year abeyance so that people do not have to move their RRSPs into RRIFs. Right now when the market is down, people are hurting significantly.

• (1555)

Credit was a very smart thing the government did but people and businesses have to be able to access that credit. We can make sure that the credit goes to those companies and developments which are halfway through. That would result in equity and minimal risk to the taxpayer and it will give money to enable those developments that already are half through to move forward. People will get back to work and feeder industries into them will be stimulated, adding to the needed confidence that we must have in our economy.

Regarding infrastructure, please rectify the problem that my colleague from Vancouver brought forth today. We have to enable the infrastructure monies to get to the developments that are proposed from our municipalities and provincial governments and do them very quickly.

In my riding, the E&N Railway needs to be retrofitted. We need to put special buses with wheels that run on a track between Victoria and the West Shore. We can also invest in the Spencer Road exchange. A \$14 million investment would translate into a \$1.4 billion stimulus package with jobs and other businesses.

For the Vancouver Island tech parks, there are 28 technological parks in our country. They are huge generators of high paying jobs and have a great multiplier effect. For example, in my community, for the Vancouver Island tech park a \$30 million investment right now will transform into \$700 million. All tech parks are over-subscribed to, so this would have a massive, positive leveraging effect.

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Money for the Pacific Sport Institute would be a wise investment on the part of the government.

Phil Fontaine, the National Chief of the AFN, has put forth a very intelligent series of solutions to help first nations communities. The Prime Minister and the relative ministers have remarked on the challenges of jobs, housing and social infrastructure in these communities. Now is the time to invest and work with the AFN, work with local chiefs, work with these communities to enable them to finally be able to have the economic drivers within their communities to enable people to have the social benefits and social environment they yearn to have, social environments that have far less than the rest of us enjoy.

The issue of child care is a huge positive driver. The number of people who cannot access child care is legion. The absence of child care is something that is costing us as a country immeasurably. If the government would work with communities to enable this to happen it would be an enormous positive factor in terms of our economy.

In my riding the Canadian Forces base has at least 100 children right now waiting to receive day care. The program in Quebec is one that we may want to consider, particularly the Bagotville model on the forces base there which is an excellent one for our Canadian Forces.

The environmental issue is a very precarious situation with respect to global warming. We now have feedback mechanisms. As the globe warms, the absorptive capacity of our oceans declines which means that the temperature goes up. As the temperature goes up, the permafrost melts. What is in the permafrost? Methane, which has a warming capability that is 25 times greater than that of carbon dioxide. Once the permafrost starts to melt, the methane is liberated which is a vicious cycle. Once we get into the feedback loop, there is actually no stopping it.

I would implore the government to adopt some of the intelligent environmental tools that are used in other countries from the continents of Europe and Asia, for example. We have technological capabilities now that simple retrofits, and the government can modify its retrofit program to focus on this, would enable our buildings to use 70% to 100% less of the energy needs that they actually consume. It would be intelligent, smart and effective.

Some people say we should not use nuclear power, but we know we are trying to balance out risk. What is more, we have to ask ourselves the question: What is more dangerous to our planet? Is it more dangerous to have nuclear power plants that reduce our consumption of coal? Or is it better to have coal power plants? The tiny risk that nuclear power plants pose is, I would argue, negligible compared to the much larger risk that global warming poses to all of us.

• (1600)

I would ask the government to look at ways to utilize the scientific capabilities that we have in terms of nuclear power and work with other countries, particularly China and India. The Prime Minister has voiced his concern, as we all have, over those countries. It has been a barrier for him to say that he will support initiatives that would reduce the production of greenhouse gases. We have an opportunity

to engage with India and China on the issue of safe nuclear power that would reduce the consumption of fossil fuels.

The government has a willing partner on this side of the House. Let us work together for the common good and implement those solutions that our citizens and communities need.

• (1605)

Mr. Paul Calandra (Oak Ridges—Markham, CPC): Mr. Speaker, I look forward to working with the member in the days and months ahead.

I am somewhat concerned that in the few weeks that I have been here every time I hear a member opposite talk about our fiscal situation, and in particular the tax cuts that our budget and our fiscal statements have brought forward, they seem to indicate that Canadians do not have the ability to manage their own money.

In particular I would reference a discussion on the GST cuts. I have talked to people like Danny and Kumar, small business owners in Ballantrae, who said that the GST cuts had helped stimulate their business and helped keep people coming in. I am talking about people like Melissa and Ryan who appreciate the extra \$200 a month that they have to help raise their children.

I wonder what it is about giving Canadians more money in their pockets so that they can invest in their futures and their families' futures that members opposite find so difficult.

I also wonder if the member could reflect on some of the other great things that this budget has, a very good budget that invests in families, in small business, in social housing and in infrastructure.

Hon. Keith Martin: Mr. Speaker, we are in favour of intelligent and targeted tax reductions that get money into the hands of those who need it the most because they are the ones who will spend it.

Who benefits most from a GST reduction? Is it somebody who buys a cup of coffee or somebody who buys a car? The person who buys the car, particularly a more expensive car, is the one who will benefit the most.

Similarly, people say that the personal savings account that the government has put forward is a good thing. It is a good thing if an individual makes more than \$80,000 a year because that is the kind of money someone needs to take advantage of it.

As the member said, people are having a difficult time right now. There is a lot of debt and a lot of uncertainty. People cannot pay their mortgages. We need to get the money to the people who need it the most, which is why we are in favour of getting money into the hands of those who have lost their jobs in terms of the two year change to the EI program.

The member is right in terms of reducing the tax burden on those who are poor and those in the low middle class because they will use it for their basic needs. It is not a good stimulus to the taxpayer when someone saves the money and buys an expensive car.

The Budget

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I would like to thank the member for outlining some of the many problems with this budget, in particular, highlighting what is happening in first nations communities across Canada.

I am from Nova Scotia and Nova Scotia is the proud home of the Mi'kmaw people, one of many first nations across Canada.

In response to the budget, Jaime Battiste, a consultant to the Eskasoni First Nation, said:

In terms of hope, First Nations have had hope in the past and then had things promised taken off the table, so I can't say I trust anything the federal government says.

How does the member think that putting the government on probation and demanding another report will change anything for first nations communities across Canada?

Hon. Keith Martin: Mr. Speaker, the Canadian public wants us to work for the good of our nation to deal with the economic crisis that is before us. That is job number one.

With respect to the member's question regarding first nations, we could work together to modify the Indian Act to remove the rock that is around the neck of first nations communities and leaders right now.

If any of us in the House had to labour under the same rules and regulations that chiefs and councils have, we would throw up our hands. This is a serious obstruction to development and to the ability of first nation communities to take care of themselves.

Let us work, for example, with the AFN to get the assets on the ground, with the appropriate accountability, for basic needs: education, health care, infrastructure and housing.

I just took some film of the houses of the Pacheedaht people in my community. Those houses are death traps. They are infested with mould, have broken windows, are cold and the walls are falling apart. Some homes are destroyed. People live in homes that most Canadians, if they were to see them, would be utterly disgusted that this is happening in our country at this time, in the year 2009.

This is a blight, a pox on our houses and it must change. The government has an opportunity to do that. We will work with it and others to do it. I know the member will, so let us get on with it and get the job done.

• (1610)

Mr. LaVar Payne (Medicine Hat, CPC): Mr. Speaker, I will be sharing my time with the hon. member for West Vancouver—Sunshine Coast—Sea to Sky Country.

It is an honour for me to rise in the House to give my maiden speech. I would like to take a few minutes to thank the constituents of my riding of Medicine Hat for their support in the past federal election and for their confidence in electing me as their representative to the House of Commons for this 40th Parliament. It is an honour and privilege to serve them to the best of my ability.

I also want to thank my extremely efficient campaign team and the numerous volunteers who worked so diligently on my campaign and made it possible for me to be here. I have found this to be a very humbling experience.

Finally, I am taking this opportunity to express my gratitude to my wife, Micheline, for her unwavering support and understanding. She has truly been a pillar of strength for me. I am also very thankful to our children, Scott and Carmen, Darcy and Jennifer, Nicole and Jerry, Todd and Brandy, for their encouragement, along with our grandchildren, Jessica, Chelsea, Megan, Conner, Abby, Carter, Mason and our newest baby, Tristan.

I am sure members will want to know a little about my riding so I will take a couple of minutes to talk about this vast rural, urban area of more than 33,000 square kilometres, extending south from the Red Deer River, from the Saskatchewan border, west to Bassano and southeast to Taber/Bow Island and further south to the Wild Horse, Montana border crossing.

We have an impressive farming and ranching industry. The crop varieties include numerous types of grain from sugar beets, corn, sunflowers, potatoes to beans, peas and even mints used in the manufacturing of chewing gum. I am sure members have heard about our Taber corn or tasted its tender sweetness. We have a very active and productive oil and gas sector with its many support services.

Brooks is known for its major beef packing plant which supports over 2,000 workers and also for the aquaduct started in the early 1900s by the Eastern Irrigation District. A world renowned heritage site, the Dinosaur Provincial Park, is just north of Brooks.

I am also pleased to extol the virtues of the Vauxhall Baseball Academy which brings talented teens from across the country to develop their baseball skills.

We have the honour of having the Canadian Forces Base Suffield, along with Defence Research Development Canada working at CFB Suffield. I also want to mention that Medicine Hat is now the new home for the Canadian Centre for Unmanned Vehicles in the aerospace industry.

We have a beautiful recreation area in the Cypress Hills of Alberta that boasts lakes, great fishing, boating, golfing, camping and hiking.

As the House can see, I am honoured to be able to represent such a diverse riding of more than 115,000 people.

I will now focus my comments on the economic action plan. Our Conservative government made choices to put Canada in a strong position. Since 2006, we have reduced federal debt by \$37 billion and we continue to respond to Canada's needs.

My constituents, along with the rest of Canadians, are concerned about the economy. Times are tough. While the recent economic forecasts are not rosy, Canada remains in the best position of any G7 country. Because we recognized in 2007 what was on the horizon and implemented tax relief, we are in a position to weather the storm better than virtually any other nation.

While Canada is being negatively impacted by the global recession, our government's priority is to protect Canada during this extraordinary time.

The Budget

Canada's economic action plan is designed to stabilize and grow our economy while protecting Canadians. Let me remind members of how this plan will benefit the people in my constituency.

The temporary tax credit for home renovation will stimulate housing construction and will keep our trades gainfully employed. Home-owners will get back up to \$1,350 for renovations such as energy efficient windows and doors to new kitchens and bathrooms. Over the next two years, Alberta communities will be able to access up to \$338 million as part of the home renovation tax credit program.

First-time home buyers can get back up \$750 on closing costs and can now withdraw more from RRSPs to buy or build that first home.

●(1615)

Our farmers will be able to access some of the \$500 million to address short-term economic challenges. This will help our farmers to innovate, implement new initiatives and increase competitiveness.

Our government will also amend the Farm Improvement and Marketing Cooperatives Loans Act to make credit more available.

Fifty million dollars is available over the next three years to strengthen the slaughterhouse capacity. This is a significant funding opportunity for the meat-packing plant located in Brooks.

There are so many ways the residents of my constituency can benefit from our economic action plan. For example, under the business communities program, money is available for culture and arts which would benefit projects in every part of our constituency.

This is an excellent action plan developed by our government. Over the next five years we are providing \$4.5 billion in Alberta for new infrastructure spending to build roads, bridges and waste water treatment plants. These programs have a far wider implication in that they will require other supports, such as engineering and design.

What does this really mean? It means jobs. It means Canadians, and in particular, individuals in my riding will be working and paying taxes and contributing to the local economy as well as nationally.

A new federal initiative, recreational infrastructure Canada, known as RInC, will provide up to \$500 million over the next two years to build and renovate hockey arenas, swimming pools and recreational facilities. The city of Medicine Hat will be paying particular attention to this program as it plans to build a new hockey arena and event centre.

Our government has not forgotten those who are in need of affordable housing. This is a priority in our riding. The economic action plan also includes new funding for social housing over the next two years to build homes for low-income seniors and Canadians with disabilities.

We are helping Canadians who are out of work find new good jobs. We have increased our investment in skills development and will provide opportunities for short- and long-term skills upgrading, including targeted programs for apprentices and older workers. We will also provide support for workers who do not qualify for EI benefits. We are broadening programs to help workers get back into the market. There are plans for a new major summer youth job initiative. The details will be announced shortly.

I am very pleased our government is providing immediate tax relief that will help all Canadians weather this difficult economic time. In Alberta this reduction of taxes by \$1.5 billion will increase the basic personal amount and upper limits of the two lowest personal income tax brackets and will also increase the amounts that families can earn and still receive the national child benefit supplement and the Canada child tax benefit, providing up to \$436 for a family with two children.

To help seniors cope, the economic statement proposes a one-time change that would allow RRIF holders to reduce their required minimum withdrawal by 25% for the 2008 tax year.

There is a commitment to the environment to provide \$1 billion for a green infrastructure fund to support projects such as sustainable energy.

Also of interest to Medicine Hat College in my riding is funding that is being provided for urgently needed repairs to Canada's universities and colleges.

I have only touched on a few of the items in our plan. This economic action plan is good for my constituency and for people across the country from coast to coast to coast. It helps Canadians who are out of work. It protects Canadian jobs and businesses and builds up our communities. It puts more money into the hands of Canadian families. It is truly a generous and comprehensive national plan and one that is in keeping with Canada's commitment to fulfill the G7 plan of action.

Remember, this economic action plan provides temporary and effective economic stimulus to help Canadian families and businesses deal with short-term challenges and to build long-term capacity so we can emerge from this economic challenge even stronger.

●(1620)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is always interesting to hear about other members' ridings. I congratulate the member on his participation in the debate.

I have been here for 15 years and time and time again the Conservatives continue to parrot certain lines which do not reflect reality. The member said, and I quote, "We recognized what was on the horizon in 2007 with regard to this economic action plan". The reality is that we have infrastructure spending that was approved and allocated but never streamed out in the current fiscal year and will not be. There are programs which will now lapse, such as the Centre of Excellence for Women's Health, the Centres of Excellence for Children's Well-being, the Health Council of Canada, the Canadian Council on Learning, and the \$750,000 of core funding for the Canada Council on Social Development.

The Budget

The reason the Conservatives do not put out any more money on infrastructure in the current fiscal year, which does not end until March 31, is that it is bad and they do not want to show a deficit any worse than it already is going to be in the current fiscal year.

On top of that, when we look at the economic statement that was made last November, it showed that we would have a surplus for the current fiscal year and for each of the next five fiscal years, and it did not reflect an acknowledgement of what was coming down the pike that the member suggests was done in 2007.

Would the member care to clarify his comment that the government was fully aware back in 2007 that we would have not only a deficit, but would be in recession?

Mr. LaVar Payne: Mr. Speaker, we did pay down \$37 billion in debt because that was something we needed to do. It is like a home mortgage; we need to pay it down to ensure that funds are available.

In terms of the economic situation, things changed dramatically throughout 2008. Even in the last number of months things have gotten worse. This economic crisis did not start here in Canada. It started in the United States and it is global. It has gone far beyond what anyone would ever have thought.

According to the IMF, Canada is one of the best placed countries in the world to ensure that we come out of this economic situation in a lot better force and a lot sooner than any other country.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I would like to congratulate my colleague and neighbour, the member for Medicine Hat. I also want to recognize that he travelled many miles last Friday to join me in the wonderful announcement at the Blackfoot Crossing. I would encourage any hon. members who are within travelling distance or when they are in Calgary to visit the Blackfoot Crossing on the Siksika Nation.

There was a comment made earlier today by the member for Yukon. I will quote his comment from *Hansard*. He is referring to the infrastructure funding as compared to the deficit that we will be dealing with. He said, "Some of it could have been funded by the contingency fund of \$3 billion". He went on to say, "It is embarrassing that the Parliamentary Secretary to the Minister of Finance did not even know it existed".

I would like to get on the record the fact that there was no legislated contingency fund. If there is one, I would ask the hon. member to please table that in the House. I am quite sure that he will not be able to do that because there never was one.

However, because we have been criticized for cutting taxes, I would like my colleague to indicate whether his constituents would rather have tax cuts or would they rather see it in the slush fund in Ottawa.

• (1625)

Mr. LaVar Payne: Mr. Speaker, anywhere I go in my riding and I talk to people about funds, they continue to tell me that they would rather have a dollar in their pocket than a dollar in the hands of a politician. Therefore, everyone here needs to pay attention to constituents across the country, who want to have money in their pockets rather than in Ottawa.

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Mr. Speaker, two days ago, we members of Parliament gathered to hear the historic economic action plan for Canadians. This plan is not only what Canadian federalists were hoping for, it is also a plan that provides hope for all Canadians.

Our nation is suffering the effects of a global recession. We are a trading people who could not escape unscathed, though we still enjoy the most stable economy in the G7. I would like to address the values that animate this plan, touch on some national implications, and relate how the plan affects people on a local level in areas that are most meaningful to them.

By background, I have spent much of my professional life in the Pacific Rim in roles as lawyer, businessman, and in an unofficial capacity, as diplomat. I have seen the great benefits that come from building bridges between people of different languages, cultures and communities. The plan itself, about which we have heard in this chamber, builds bridges between people of different languages, cultures and communities. It is a plan that unifies Canadians and gives us hope.

I add my congratulations to the Prime Minister, the Minister of Finance and the many other MPs who engaged the Canadian public in the most extensive and inclusive consultation process in budget history. At the national level, it has been documented that our Canadian government interacted with Canadians on more than 10,000 occasions, including direct consultations and opinions submitted by email and mail.

Like many colleagues here, I followed the lead of our Prime Minister and actively sought out constituents' opinions on the budget. In my riding, I met or spoke with all twelve local government leaders, three first nations chiefs and the MLAs, and dialogued with hundreds of other constituents.

The meeting that most vividly illustrated the approach of the Conservative government was the town hall meeting convened by the Minister of Finance himself, who attracted 480 people to a meeting in West Vancouver's Park Royal Shopping Mall, where he stood among some of the retail stores hardest hit by the economic downturn. This event provided constituents the opportunity to present their ideas directly to the minister and about 50 people made it to the microphones. Canadians of every imaginable background and political persuasion were present at the meeting.

My riding is known for its vast diversity. It is an almost perfect split between rural and urban. Far-flung geographically, it is the fourth largest in the country and takes ten hours and two ferry rides to travel from North Vancouver in the south to Powell River in the north. The upscale condominiums of West Vancouver contrast with the beleaguered pulp mills of Gibsons and Powell River. Significant numbers of people hail from Persian, Iranian, Chinese, Korean and Punjabi backgrounds. Three first nations are included in our riding: the Squamish, Sechelt and Sliammon.

The Budget

Given that vast diversity, one might have expected an incoherent array of requests to have emerged from our extensive prebudget consultations, but surprisingly, what we found was a consistency among Canadians. National traits of prudence and discipline, hard work and planning for the future kept coming to the fore. People generally wanted to see immediate fiscal stimulus. Local leaders outlined their needs for improvement to water systems, sewer systems, roads, bridges and harbours.

People like Eric in Powell River wanted relief from setbacks in the forest sector. David, former head of the Whistler Chamber of Commerce, sought a lift in the tourism sector. Most of all, people wanted their politicians to serve them, not to get in the way, but to provide a non-partisan answer to their economic needs and their growing sense of anxiety.

What unites us is more important than what divides us. Canadians are committed to working together to face the challenges ahead. The economic action plan provided people in my riding with what they were asking for. It provided practical economic stimulus and hope. The hard work, dedication, generosity and resilience of Canadians will take care of the rest.

Our government is committed to acting in the best interests of the Canadian economy, even if it means running a short-term deficit. Our government's plan of action provides effective economic stimulus to help Canadian families and businesses deal with short-term challenges. As well, there are measures to encourage private spending; new investments in roads, bridges, water systems and sewer systems; measures to protect the stability of Canada's financial system and ensure access to credit for business and consumers; hope and support for industries in difficulty, including forestry, manufacturing, tourism, agriculture and automotive; new jobs; and measures to protect the vulnerable, including the unemployed, lower income Canadians, seniors and aboriginal people.

● (1630)

As constituent Steve Brooks wrote me recently:

—we are at a pivotal point for our smaller communities, and indeed for Canada. The current global recession and the realization that governments must now run large deficits to rebuild infrastructure and position their countries for the next wave of globalization is now an incredible chance for Canada to re-assert itself on the global stage...

Ted Milner, a Whistler city councillor likes to say that “politics is local”. By looking at the new economic action plan through the lens of provincial and local communities we can see why this economic action plan is a source of hope for the average Canadian.

The plan provided hope to Premier Gordon Campbell of British Columbia. In his words,

I think the budget was generally positive for the province. It's going to generate investment. It is going to generate jobs.

He also said that it would allow them to become partners with the federal government to build much needed infrastructure.

There is hope for British Columbia, \$4.5 billion for road, water and sewer upgrades, including the evergreen transit line and Trans-Canada Highway upgrades, cleaner water, better roads and more transit funding gives municipalities hope.

There is hope for B.C. businesses. The \$3 billion in tax relief for the province's businesses will increase cashflow. Unemployed workers and those hit hardest can also have hope. There are \$7.5 billion in extra support for the sectors hardest hit, including \$170 million over two years for forestry.

We in B.C. have hope because of a plan to stimulate construction by providing billions to build social housing and enhance energy efficiency.

There is hope for new home buyers. In the case of a house purchase, the permitted amount of RRSP withdrawal has increased from \$20,000 to \$25,000. There is also a new \$750 tax saving on the closing cost of buying a house.

For all Canadian homeowners who plan to renovate, there is hope. The economic action plan introduces a home renovation tax credit of up to \$1,350 for the year 2009.

British Columbia has new hope because it will continue to receive historically high and growing federal transfers in 2009-10, an increase of \$200 million from last year to help the province pay for health care, education and social services.

On Monday, January 12 hundreds of Canadians of all stripes and backgrounds gathered in a shopping mall in West Vancouver. They came from all over the Lower Mainland of Vancouver. They came because their government was listening. They came because they were anxious. They came because they had hope.

Our government has listened to those who gathered on that frosty night in West Vancouver, to Canadians from coast to coast to coast and to all my colleagues in the House who cared to offer suggestions.

This is a plan of hope. There is hope for the unemployed, the manufacturing sectors, middle class Canadians, families, seniors and businesses. In fact, all Canadians can find hope in the fact that their government is listening to them and acting for them to secure jobs, combat uncertainty and boost the Canadian economy.

This is a plan that provides the hope we need to build a stronger, more prosperous Canada together.

● (1635)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, it is always good to hear about other communities across our great country.

The member may recall that in the finance minister's presentation of the budget there was tax relief, particularly for low and modest income Canadians.

The Budget

I looked at the budget documents. Table A5.2 has a chart that shows the total income of individuals from \$10,000 up to \$150,000 and calculates what the total tax relief will be in 2009. It shows that for someone making \$30,000 a year in 2009, the total tax savings will be \$369 for the year. For someone making \$100,000 or more a year, the total tax savings will be \$731, about twice as much.

I have seen far too many examples of where people throw language around to suggest they are doing things when the numbers show it is different. This is very explicit case. It is not low and middle-income Canadians. In fact, the highest income Canadians are going to get the highest benefit from these tax cuts.

I hope the member agrees that they should have been limited to those who really need the money in their pockets.

Mr. John Weston: Mr. Speaker, I share the concern of the member opposite for social justice.

[*Translation*]

First, I would like to thank my colleague opposite. Personally and professionally, I have invested a lot of time in helping those less fortunate, here in Canada and abroad.

Like my colleague, I was very interested in what this budget proposed to do for less fortunate men and women, particularly the homeless.

I believe that this budget strikes an excellent balance between the needs of the homeless and the importance of economic stimulation. For example, according to page 124 of the English version of the economic action plan, the government will invest \$1 billion over two years in renovating social housing. This kind of measure will promote cooperation between the federal government and its provincial and territorial partners.

This measure will also encourage more effective—

[*English*]

The Deputy Speaker: The hon. member for Timmins—James Bay.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great interest to my hon. colleague. I have found that whenever a government brings forth a budget, it always says that it is bigger and brighter than ever, with more razzle-dazzle-pizazzle. Now, this one is more hopeful than ever. One peers through the black curtain and sees the Minister of Finance with his big, old, tattered top hat, pulling sedated bunnies out and saying “Here is another tax cut for you. Isn't this marvellous?”

The reality is the Prime Minister was the person who told us to go out and buy a bunch of bargains when the economy was going down the toilet. He told us that there was no deficit and that there would never be a deficit. That was in November, just a month or two ago. He said that we were in surplus, when according to our numbers now we were at least \$3 billion to \$5 billion in deficit.

When he says he is willing to run a short-term deficit, is he not already saying that this is a government that has put us in deficit because of its GST cuts and that it is not actually stimulating the economy, but paying for the mistakes of a government that simply does not understand what is happening in the global economy?

Mr. John Weston: Mr. Speaker, I do believe this is a time to abandon partisan games and to participate together in fighting for a strengthened economy.

This is the Prime Minister who prepared this country to be the top of the heap of the G7. This is the Prime Minister who is the toast of the G20. This is the Prime Minister who helped pay down \$37 billion in debt. This is the Prime Minister who has, albeit reluctantly, put our country into a short-term deficit from which we will emerge by 2013, stronger and more robust than ever.

• (1640)

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I will be sharing my time this afternoon with the member for Thunder Bay—Rainy River.

Before I came to the House, there was this notion that the Canadian House of Commons was described as Disney on the Rideau. I was never sure what occasioned the first use of that moniker, but I am certainly starting to understand why it has persisted. There is something fantastical about what happens in this place, unfortunately not in the sense that the deliberations here are fantastic but, rather, that often they appear based in fantasy. I feel like I am part of such a debate now.

Since last fall, when our country was first flung into the greatest economic downturn since the Great Depression, Canadians had been singularly focused on staving off threats to their jobs, pensions and savings. It was the economic crisis and the government's cavalier response to the fears of Canadians in its fall fiscal update that precipitated the political crisis of confidence and ultimately the constitutional crisis that shut down this place for two months.

Just when Canadians needed their government the most, the Prime Minister shut the doors on Parliament and effectively said that his need to protect his job was more important than the need to protect the jobs, pensions and savings of hard-working Canadians. How goofy is that? Disney on the Rideau, indeed.

It would be good to remind ourselves in the House that it is not all about us. On the contrary, it is not about us at all, or at least it should not be. We have the privileged opportunity to come to this chamber not to fight for ourselves but to fight for our constituents. In these uncertain economic times that means acting decisively to protect the vulnerable, to safeguard today's jobs and to create the jobs of tomorrow.

Naively, I thought that after two months of talking to our constituents we would come back here and offer them the hope, stability and real change that they so desperately want and need from us. Despite the rhetoric of having consulted, it is absolutely clear that this budget is still all about saving the Prime Minister's job and not about saving the jobs of hard-working Canadians.

Here is how one critic of the budget put it so eloquently:

Yesterday's budget is a flawed document.

It doesn't go far enough to protect Canadians who have lost—or will lose—their jobs.

The Budget

It extends EI benefits but fails to extend EI eligibility.

It opens the door for attacks on pay equity for women. It does not seize on the wealth of opportunities in the green economy.

It breaks their promise to all provinces from only two years ago on equalization.

It attaches strings to infrastructure dollars that may delay projects and delay jobs.

It promises to sell government assets for cash, without saying which assets and for how much.

And it lacks a credible plan for getting us out of the \$85-billion hole the government will dig us into over the next five years.

I could not agree more. The 2009 budget is deeply flawed. My constituents deserve better and I cannot support it. I assume that the MP who offered the scathing critique of the budget would join me in voting it down. But, wait, I almost forgot, this is Disney on the Rideau.

The member of Parliament who I quoted actually concludes by saying that he will support the budget. The member was none other than the member for Etobicoke—Lakeshore, the new leader of the Liberal Party. Fantastical, indeed.

I know it is foolish to even attempt to find reason in fantasy, but the only plausible reason for this leap in logic is that the Leader of the Opposition, like the Prime Minister, has given in to the temptation of making it all about him. Shamefully, he has made it about his job, about his opportunity to build his profile as the new leader, about his party's need to rebuild its finances instead of accepting what ought to be his sole responsibility, which is to make it all about the jobs and finances of Canadians.

If that is the criterion, this budget fails Canadians. It fails workers, it fails the unemployed, it fails the manufacturing sector, it fails cities, it fails the environment, it fails seniors, it fails women, it fails students and it fails the poor. On all counts, the budget should fail to get the confidence of the House.

Let us look at jobs first. Every senior economist in the country agrees that investments in public infrastructure are key to any strategy that is designed to provide economic stimulus. Don Drummond, senior vice-president and chief economist of the TD Bank Financial Group, was even more categorical. He said that cuts to the GST and income taxes were precisely the wrong way to go.

Instead, the government should have invested in a major stimulus package. That package needed to include accelerated existing infrastructure funding and substantial new investments, including municipal and interprovincial projects, such as transit, clean energy, water, corridors and gateways.

● (1645)

It needed to include housing construction and retrofitting. It needed to include investments in key sector strategies like manufacturing, auto and forestry, designed to create and save jobs, with any aid contingent on a plan to transform these industries and return them to profitability and sustainability. While some of these words are found in the 2009 federal budget, the rhetoric does not match real investments.

Investments in infrastructure are far too modest and have too many strings attached. As a result, the impact on job creation will be minimal. P3s persist. There is no link between public investments and a made in Canada procurement policy. The program expires at

the end of 2010, long before the jobs crisis will be over. Almost nothing in the budget addresses our environmental and climate change goals.

In short, the budget fails to safeguard today's jobs and fails to create the jobs of tomorrow.

Let me just give a concrete example of how the structuring of the infrastructure funding impacts my home town of Hamilton.

I had the privilege of attending a meeting with elected officials from all levels of government about the progress being made on the remedial action plan to clean up our bay. Environment Canada has identified it as one of the areas of concern in the Great Lakes-St. Lawrence River Basin.

Our community has made great strides. Fish and wildlife goals are being met, public access has been greatly enhanced, and even the toxic contamination is being addressed through the Randle Reef sediment remediation project.

The last area requiring urgent action is related to water quality. The City of Hamilton urgently needs a new waste water treatment plan. The project is shovel ready. It could create up to 2,200 jobs locally and regionally. It is good for jobs, good for our city, and good for the environment.

But for Hamilton to access the infrastructure money announced in this budget, our city would need to match the federal government's funding. Our mayor has been clear. He said: "We don't have the money...I don't know how we'd find the money other than going back to the taxpayers, which I don't think is affordable either at this economic point in time". He is absolutely right.

A budget that is purporting to want to help the middle class cannot ask that municipal projects be added to the property taxes of homeowners. The infrastructure funding has to be unconditional so that money can flow now for shovel ready projects. It is good for jobs, good for the local economy, good for our city, and in this case good for the environment. Yet it is not supported in this year's federal budget.

If the budget is not saving or creating jobs, does it at least protect those Canadians who are losing their jobs? In this economic downturn, hard-working Canadians were counting on EI reform to be the centrepiece of the budget. EI directly assists the victims of the recession and it is an effective form of economic stimulus because the unemployed will spend rather than save and support their local economies.

But again, the budget falls short of investing in what should be one of the most effective poverty prevention programs in this country. Yes, it added five weeks of eligibility to all claims but only for the next two years. If one is not eligible for EI in the first place, this change does not help at all.

The Budget

The budget should have improved eligibility requirements, enhanced weekly benefits, and removed the unconscionable two week waiting period before unemployed workers can receive benefits. Rent and mortgage payments cannot wait two weeks, and those who have lost their jobs should not have to wait either.

Speaking of waiting, seniors by definition do not have a lifetime to wait for help from their government either. Those who had private retirement savings saw their investments hammered in October's stock market collapse. They do not have the opportunity to make up for those losses with future earnings.

The public pension system is not enough to allow any senior to make ends meet, and yet there were no improvements to old age security, no enhanced GIS, no strong action to shore up workplace pension plans. There is nothing to ensure that the very people who built this country would be able to live out their retirement with dignity and respect.

Furthermore, there are no new investments in health care, and in fact, nothing to enhance any public services at this critical time.

What about women? They are not even mentioned in this budget. There is not a single mention of women in the entire document and no funding for issues that directly affect them. There are no new child care spaces, no increased access to EI, and no reversal on the callous attack on pay equity that was included in the fall economic update. The much touted tax cuts in the budget will offer little or no benefit to the poorest 68% of women. This budget has failed women and their families.

I know my time is almost up, so let me just conclude by saying this to the government. As MPs we live financially privileged lives, but it is not about us. We should get rid of the broadbased tax cuts that give each of us \$1,000 and give the money to those who have no paycheque at all. We should get rid of the tax credit that allows us to build decks on our cottages, and give the money to those who cannot afford a home at all. For God's sake, we should get rid of our preoccupation with our own jobs and focus on the jobs of Canadians. That is what we were sent here to do. We cannot fail our constituents just when they need us most.

• (1650)

Mr. Stephen Woodworth (Kitchener Centre, CPC): Mr. Speaker, I want to commend the member on her desire to tone down the rhetoric and I want to ask her to just stop and reflect on her own comments when she remarks on that desire.

I also want to just begin by going back historically. My friend mentioned that the financial crisis began last fall. If my friend thinks that, then our government was even more wildly successful than I knew because in reality the financial crisis began a year ago in the fall and Canada was protected from it.

I want to ask my friend to think about not calling it goofy to shut down Parliament because in fact I think there are very many Canadians who think it was exactly the right thing to do in order to give the government time to reflect on the budget and come up with a plan.

If my friend is serious about toning down her rhetoric, I would like to ask her if she does not think there are some good things in this

budget which are worthy of support: for example, \$1 billion over two years for renovation and retrofits to social housing; \$75 million to build social housing for persons with disabilities; \$200 million over two years to support social housing in the north; and more particularly, enhancing the working family tax credit and measures of that nature. Could my friend admit that there are at least some very good things in this budget?

Ms. Chris Charlton: Mr. Speaker, I very much welcome the rhetoric and I will certainly admit that the rhetoric in this budget is superb. Every single important piece that people in the community were looking for is mentioned. However, as I pointed out in my speech, it is not about saying "We will invest in social housing". The government's responsibility is to make the money flow so that social housing would actually be created.

If we are asking municipalities to pony up a third of the money that is required for the infrastructure programs that are mentioned in this budget, none of that will be built. What communities need is real investment. They need dollars to flow. Yes, we need more housing. Absolutely. We need infrastructure projects. There is absolutely no question about whether bridges in this country and roads in this country are in states of disrepair. As I said, there is no doubt that Hamilton needs a new waste water treatment plant. That is not in question. But we need more than rhetoric. We need real action. We need real dollars. We need the money to flow, or none of the rhetoric will help any Canadian or any Canadian city.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, there is very little about the member's speech with which I would disagree. We are, so to speak, on the edge of a structural deficit. She went through the same election I did, as did we all in this House, and she will recollect the Minister of Finance saying under no circumstances would he ever be the minister of deficits. He repeated that many times.

In fact, the Prime Minister backed up his finance minister. Then they produced a fiscal update which was pretty well an insult to this House. Then they did a major backpedalling and somehow or other we went from a modest surplus to an enormous deficit in the course of 60 days. Now they are projecting that in five years we will be out of what I would argue is a structural deficit—

An hon. member: Not likely.

Hon. John McKay: My colleague says "not likely".

I would like to know whether the hon. member thinks that the projection of being out of deficit in five years is fantasy or fiction.

Ms. Chris Charlton: Mr. Speaker, I think the member is absolutely right. I do not think that we will see the end of this deficit within five years.

The Budget

I have to say I very much welcome his opening remarks in which he said that he agreed with everything that I said in my remarks with respect to this budget.

I know that at this point in the debate we cannot engage in a back-and-forth, but I wonder if his colleagues, like him, find that almost everything I said about the budget is something that they can support and I wonder whether they will be standing with members of the NDP when it comes time to vote on this budget to actually stand up for their constituents, to stand up for the things with which he agrees, and join us in voting against this budget which clearly does not meet the needs of his community or my community.

● (1655)

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, this budget is a missed opportunity to help our economy recover and help Canadian families make ends meet during this increasingly deep and painful recession. As such, I will be opposing this fiscally and socially irresponsible budget.

The Conservative-Liberal budget for the 2009-10 fiscal year pushes ahead with a treasury-draining \$60 billion in corporate tax cuts that can only go into the well-lined pockets of shareholders of the most profitable Canadian companies. While shovelling money into pockets of the wealthiest companies and shareholders, this Conservative-Liberal budget also ensures that ordinary Canadians will continue to suffer throughout this long and painful crisis. The appalling \$84 billion deficit will ensure that the children of ordinary Canadians also suffer unjustly.

The government continues to sit and collect interest on the \$54 billion surplus in the employment insurance fund and offers no help to the 73% of workers who pay into this fund but are unable to draw from it once they lose their jobs. Even more appalling is that making employment insurance more accessible to those neglected 73% of Canadians and their families would not have added even a single dollar to the massive deficit in this budget. It would have come from the \$54 billion stand-alone fund that sits untouched.

To those Canadians who need access to employment insurance funds but are denied, I say that Canada's New Democrats are here, standing with you in spirit in this House, to oppose this budget and the social injustice that it perpetuates and in many cases intensifies.

On the issue of forestry, this government has the nerve and arrogance to table a budget that contains \$60 billion for permanent corporate tax cuts and just \$170 million for the struggling forestry sector that provides employment to nearly one million Canadians and which has been in its own recession for more than five years.

Thought of another way, this Conservative-Liberal budget provides just \$170 million to help struggling forestry families get through this crisis while handing out \$60 billion to the well off shareholders of Canada's most profitable corporations. It is as if the Minister of Finance thinks the people of our northern communities and forestry towns simply do not exist. We do exist and we are proud to stand here today in opposition to this budget.

Contrary to what this Conservative-Liberal government thinks, and indeed contrary to what the Premier of Ontario thinks, forestry is not a sunset industry. New Democrats have come to expect the sort of cold-hearted and irresponsible policy that is contained in this

budget from the current government. After all, it is the one who destroyed the fiscal capacity of the Government of Ontario before moving on like locusts to destroy the once robust fields of our federal treasury.

The government can do so in this budget only if it is enabled by the official opposition. Sadly, it would appear that this will be the case and I dare say the federal treasury will never be the same. Each and every member of the official opposition that stands in support of this budget should hang their heads in shame for the fact that they have turned their backs on the most vulnerable Canadians they said they would protect just 72 short hours ago. I will leave it to them to explain to their constituents why they think the current government is better suited to deal with this crisis than they.

The people of Thunder Bay—Rainy River told me what our riding needed from this budget and I am sad to see that our needs are not being met by the contents of this document. There is no extension of VIA rail service to Thunder Bay and rural communities, just more trains between Canada's two largest urban municipalities. There is no mention of shipbuilding at our facilities in Thunder Bay.

● (1700)

The money in the budget for first nations infrastructure and health is welcome but it is not adequate. There is next to nothing in this budget that will improve rural access to family doctors, physiotherapists and mental health and emergency care facilities.

There is a significant amount of money allotted for the upgrading of border facilities in British Columbia and southern and eastern Ontario but apparently no money for upgrading the Rainy River, Fort Frances and Pigeon River crossings, the three international border crossings that are in my riding.

There is some new money for infrastructure but no mention of support for small projects like the Royal Canadian Legion in Kakabeka Falls. Municipalities in my riding cannot afford matching funds for the infrastructure projects they need. Non-profit organizations cannot afford large loans to improve their infrastructure and operations so they can continue to provide services to seniors, children and families in rural communities like Rainy River, Upsala and Atikokan. Because these and other local concerns are not adequately addressed in this budget, I will vote against the passage of this budget.

Finally, I would be remiss if I did not take a moment to thank the liberal, green and progressive-minded constituents in my riding who voiced their support for our attempt to form a Liberal-New Democrat coalition government. I and the entire New Democrat caucus entered into that endeavour for the right reasons: to provide a stable, progressive and cooperative government that reflected the values of 62% of Canadian voters. Because of the shortsighted and ill-advised capitulation of the official opposition to the government on this budget, our progressive endeavour did not succeed.

The Budget

I want to thank those in my riding, particularly progressive Liberals, who reached out and extended a hand in partnership and trust. Their support and efforts in this common cause were greatly appreciated and will not be forgotten. My door remains open today and tomorrow.

It is in the spirit of social justice, fiscal responsibility and progressive values that I will be casting my vote in opposition to this budget.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, generally speaking, I would say that this is a chicken in every pot budget. I am hard pressed to find an issue someone did not bring up and ask for money. It was right across the board.

One of the things that the budget does not do and does not take account is the consequences of a deep recession on ordinary Canadians who lose their jobs and go into a stressful situation in their families. Despair becomes the norm in the household. It affects things like health, mental and physical health. It also affects the utilization of social services where people need some help, where they cannot feed themselves or cope with the stresses of life.

As the member will probably know, when there is a recession the crime rate will go up. When people are desperate, bad things happen and that requires additional policing costs.

The health care services, the social services and the policing services are all provided for by the provinces but the budget did not provide any increase in the transfers to the provinces. The formula stayed the same. It does not recognize that there will be a surcharge to be dealt with.

Does the member believe that the provinces have been left behind to pick up these pieces? Should this budget take into account that there will be higher costs for health care, social programs and criminal justice costs?

Mr. John Rafferty: Mr. Speaker, when we look at a budget carefully we sometimes see things in the back hidden away. For example, there are \$72 million less for public health in this budget than there were before. I would ask everyone to have a very careful look.

In terms of employment insurance, when employment insurance runs out for the people of Ontario and they have no other option, they apply for Ontario Works which is the direct responsibility, at least until 2018 or two or three Ontario governments from now, of the municipalities. That means that municipalities will be harder and harder hit as more and more people run out of employment insurance benefits.

We were asking for up to two years of employment insurance benefits to ensure there would be less pressure on families and on the municipalities. The ball keeps on rolling and trickling down. Municipalities have less money, so if they need to match money for infrastructure projects, they will have less money over the next couple of years. It is a situation for which the budget does not prepare my province.

• (1705)

Ms. Megan Leslie (Halifax, NDP): Mr. Speaker, I note that the budget does have money for forestry, research and development, new products and marketing. I wonder if the member for Thunder

Bay—Rainy River could tell us a bit about how this impacts single industry towns in his riding.

Mr. John Rafferty: Mr. Speaker, I am glad the member raised that point. The \$170 million allotted to forestry in the budget is mostly money for research and marketing. That is certainly welcome, but far more of a concern is the plight of our forestry families in our single industry towns that have been decimated by five and more years of recession in this sector. More than 38,000 good paying jobs have been lost in forestry during this period and tens of thousands more jobs are likely to be lost in the coming year and we hear of new losses almost daily. It was announced today that a forestry company in Thunder Bay will go into receivership tomorrow. AbitibiBowater, one of the largest, is now being faced with what we hope is not a permanent shutdown. It is a situation that is continuing to steamroll. Many of those workers have spent their entire lives working for one employer and now find themselves out of work for the first time.

Therefore, when I speak about the failure of the budget to help the forestry sector, I mean that the budget does nothing to help our forestry families and communities. There is no direct assistance for laid off forestry workers. Where there is some assistance, such as the community adjustment fund, our forestry communities must get in line with mining, agriculture, fishing and manufacturing dependent communities. It is simply not enough.

Mr. Greg Rickford (Kenora, CPC): Mr. Speaker, it may be coincidental or fortuitous that I am following my electoral neighbour, the hon. member for Thunder Bay—Rainy River. I will be splitting my time with the member for Wild Rose today.

I am very pleased to contribute to the debate regarding Canada's 2009 economic action plan. Indeed, this is not just an economic action plan to deal immediately with the global recession. It is a legacy document that will modernize Canada's infrastructure and position our great country to emerge from the global recession stronger than ever before and before other western countries.

This is not a partisan statement. For example, the International Monetary Fund recognized that Canada was one of the last countries to enter the recession and will be among the first to emerge. The economic action plan sends a strong message that the Conservative government will stick to its core principles and deal appropriately and effectively with the things that Canada needs to get through this recession. This economic action plan is a modest, manageable plan that will return us to surplus spending within five years.

I want to take some time to focus on how and why this is not just a good economic plan for Canada but more specifically for north-western Ontario and my riding of Kenora. Any action plan put forth had to deal with some very fundamental regional structural defects in the forestry and mining sectors peculiar to northwestern Ontario in order to ensure that the Kenora riding could be competitive in areas of tourism, forestry and mining as we emerge from this global recession.

The Budget

I can say unequivocally that by the time I had finished the long form version of the economic plan, I was impressed with how comprehensive and detailed it was in addressing the priorities for the Kenora riding, northwestern Ontario as a whole and other regions throughout Canada that depend on primary resources and the need for diversification for long term economic stability.

While I am impressed, I am not surprised. After the extensive initial consultations of my constituents, our government went back out on the road and performed more focused round table discussions to identify specific measures the federal government could take to support regions of Canada that rely on primary resource based economies.

On behalf of the Minister of Natural Resources, the Parliamentary Secretary to the Minister of Natural Resources and for the Canadian Wheat Board and I held round tables in Kenora, Dryden, Thunder Bay, clear across to Sudbury. We met with forestry management and workers of companies like Domtar, Kenora Forest Products and a number of other mining and forestry sector people, including first nations stakeholders, in an unprecedented pre-economic action plan consultation.

This economic action plan has addressed, in a very technical, pragmatic and responsible way, not only how to deal with this global recession, but how to modernize our infrastructure and put the communities like the ones in my riding in the best position to diversify our regional economy and participate in a leaner, greener forestry and mining sector.

This economic action plan takes immediate steps to invest almost \$12 billion over two years in an infrastructure stimulus fund. This is key for northwestern Ontario, as we will see the twinning of parts of Highway 11 and 17, specifically from Clearwater Bay just outside of Kenora, to the Manitoba border. The twinning of this particular section of the highway not only provides for safer travel on the Trans-Canada Highway, but will also go a long way to fortify the vital transportation link between western and eastern Canada.

Emphasis focused on waste water and sewer treatment plants and shovel-ready projects that can start immediately are planned for our riding. We will increase broadband coverage and capacity to help ensure all regions of Canada are technologically on an equal footing. This is great news and critical for northwestern Ontario. Expanding broadband coverage in our region is essential for economic diversification, access to justice, training and education, and the delivery of health services, particularly to the more than 25 isolated communities in my riding.

That is what I have heard from my friends at Keewaytinook Okimakanak who provide broadband services to these communities. I know they are pleased that the government is making a commitment to improve broadband capacity and service throughout Canada.

I note that there is significant funding as well under the RInK program to improve recreation centres such as ice rinks, pools and community centres, which are all important parts of our small communities' social and health fabric.

●(1710)

Key drivers of our economy include the production of primary and secondary wood products for things like housing and renovations. This plan provides \$7.8 billion to build quality housing and stimulate construction. Social housing, retrofitting, renovating and upgrading first nations homes are key stimuli for the forestry sector. The home renovation tax credit will stimulate this sector and provide an incentive for folks to undertake these renovations.

Stimulus in the economic action plan is focused on regions like northwestern Ontario. We were the hardest hit by the impact of the global recession. Kenora felt it sooner and harder than most parts of our country.

I am pleased that this government is investing over \$1 billion over the next two years into the community adjustment fund. It keeps the Kenora riding in mind because it is intended to help new forestry products and processes, especially those for the international marketplace. The fund could support initiatives like the Whitefeather Two Feathers forestry initiative that will put the Kenora riding on the leading edge of the value-added industry within the forestry sector. Such an initiative would directly benefit the communities of Red Lake and Dryden and first nation communities such as Eagle Lake, Wabigoon and Pikangikum.

I have always maintained and continue to focus my energies on ensuring that Kenora riding's economy must be focused on infrastructure and economic diversification that integrates and connects our communities together. We must work synchronously at all levels of government to ensure that we have the right keys and the right instruments for economic prosperity.

One of the extraordinary features of this economic action plan is the commitment to our first nations communities for training and skills development, housing and ready-to-go projects with priorities being given to schools, water and critical community services such as health and policing.

These economic plan items were a direct response to the consultation our government made with first nation national leadership, as well as input from the grand chiefs and first nation leaders in my riding. I am pleased to report to this chamber that first nation leaders in my riding and in the riding of Thunder Bay—Rainy River have already voiced their optimism about the attention first nations were given directly and indirectly to this economic action plan.

With regard to skills training for all northwestern Ontarians, our government's economic action plan is unprecedented. There is a realization that moving forward we need a highly skilled workforce to be successful. That is why we are providing funding for the Canada skills and transition strategy, which includes extra support for Canadians most affected by this recession.

The Budget

When I met with local industry in my riding, a key point I heard on more than one occasion was that changes needed to be made to employment insurance. This action plan offers a real response to people's needs by extending maximum benefits to a total of 50 weeks and extending work-sharing arrangements by an additional 14 weeks. This will help companies like Kenora Forest Products and Domtar avoid further layoffs. They expressly asked for this type of help. To that extent, this economic action plan has delivered.

Other important measures in our plan include increases to the basic personal exemption to 7.5% from 2008, raising the child benefit which will put an extra \$436 in parents' pockets, tax savings for seniors, and novel tax-based incentivizing housing renovation, the benefits of which are twofold: they stimulate the purchase of building forest products and provide tax credits for folks who incur this type of expense.

Finally, special mention should be made for this government's commitment to FedNor, a brand and a program reputed throughout northern Ontario to support our communities in the process of economic diversification and initiatives. The additional funding for the next two years will go a long way to support several projects being planned or considered in communities throughout northern Ontario. This economic action plan should inspire confidence because it deals with some of the key aspects that northwestern Ontario needed to have addressed.

I want to express my extreme appreciation to my caucus for listening and understanding the kinds of support and measures the federal government could take to help put the Kenora riding on an equal footing with the other regions of Canada. I believe this economic action plan goes a long way to bringing the communities in my riding and across northwestern Ontario, including first nations, much closer to that goal.

• (1715)

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I think that the hon. member glossed over a wonderful opportunity. He is from Kenora. Kenora is an area which at the best of times has difficulties with employment and it is facing unique and specific challenges right now. I would have thought that the member would be a little more upset about the government's approach to employment insurance. This was a wonderful opportunity to actually address that issue, as every economic prognosticator is saying that more and more people are becoming unemployed.

It appears that the government chose a solution which nobody was asking for, namely to load the rear end of the time available, when in fact pretty well everyone was asking the government to shrink the two-week waiting period. Just because one is unemployed does not mean the bills stop. That two week period was an opportunity missed by the government, or it could have brought in some sort of uniform set of hours across the country, because whether one is unemployed in Kenora, Toronto or Miramichi, one is still unemployed.

I wonder whether the hon. member has approached the Minister of Finance and asked him why he missed this opportunity. This could have been a time to actually reform EI in a way that is fair not only to the workers in Kenora but to the workers right across the country.

Mr. Greg Rickford: Mr. Speaker, I certainly cannot say anything more than what my consultations were with stakeholders both in my

riding and other small places like Courtenay, B.C. and Campbell River, B.C. who told us exactly what kinds of employment insurance benefit changes needed to be made.

It is not my problem that the leader of the member's party had conversations with people in Toronto, Vancouver, Montreal, and as an afterthought in St. John's, Newfoundland, which are all great places. However, I can only bring forward to this House the changes in EI that my constituents and my stakeholders asked for, and these were two of the key changes that they asked for and we delivered.

• (1720)

Mr. John Rafferty (Thunder Bay—Rainy River, NDP): Mr. Speaker, I have a pointed question for the member and I am asking him for his help. I want to preface my remarks by saying that the government believes that northern Ontario begins at about Highway 7 or at the very farthest perhaps Barrie. When the government talks about money for the Trans-Canada Highway I just wonder where it is going to be.

Let me say that I am very glad to hear that a very dangerous stretch of Highway 17 is being fixed. It is a horrible piece of highway and it is a wonderful thing that it is being twinned.

I would like to ask the member if he will insist with his caucus and with the ministers that an even more dangerous stretch of highway in northern Ontario be twinned. I am talking about a stretch of about 100 kilometres between Nipigon and Thunder Bay. Will he work with me to make sure that happens?

Mr. Greg Rickford: Mr. Speaker, I share the concerns of my colleague for what is one of the most dangerous stretches of highway in the country. At the same time I would say it is one of the most vital in terms of its link between eastern and western Canada.

As my hon. colleague may or may not know, work on this particular file, specifically the twinning of parts of highways 11 and 17 have always included parts in my riding and his. I can assure him that I intend to work within my caucus to ensure that those places along the highway are twinned and that we continue to work with the province of Ontario to make the highway safer and a more effective way of transportation of goods across Canada.

Mr. Anthony Rota (Nipissing—Timiskaming, Lib.): Mr. Speaker, when I hear of highways 11 and 17 being under construction I start to get excited because I travel on those highways on a regular basis, whether it is from Ottawa to North Bay or North Bay up to New Liskeard and they are the most dangerous stretches of highway around.

What has been promised by different governments, and I am not going to point out one colour or another, but different governments have said they would put the money on the table but the provinces have to match it or come to the table. This is the Trans-Canada Highway.

The Budget

Will the funding be for all the work or will there be a condition that will prevent the work from being done? We have seen where the province does not have all the money and ends up not doing the work or the work does not get done because one of the two partners does not have the money.

We are seeing it in the infrastructure setup right now and many municipalities are complaining about it.

Mr. Greg Rickford: Mr. Speaker, I can assure the hon. member that with respect to the twinning of parts of highways 11 and 17, we have worked very well with the Province of Ontario and the Liberal government, particularly with the hon. Minister Gravelle, the minister of northern development and mines.

I can assure the House that we will continue to work with them. We respect and understand the need to work with all levels of government on infrastructure projects, and provisions are specific and clear in this plan to that end.

Mr. Blake Richards (Wild Rose, CPC): Mr. Speaker, it is a pleasure to rise today in debate on the budget.

In the lead-up to this budget, the earliest federal budget in recent history, our government undertook the broadest and most comprehensive consultations ever. Our government met with and listened to thousands of individuals and groups across this great country. The Prime Minister, the finance minister and others met with leaders of business and industry and with economists, community groups, provincial and municipal governments, members of the opposition and other stakeholders.

Personally, I spent six weeks travelling throughout my vast and diverse riding of Wild Rose listening to constituents' suggestions and concerns. I held open houses, community office hours, and attended various other meetings and events throughout the riding. Constituents in Wild Rose shared their thoughts with me verbally, both in person and on the phone, by email and letter, and they filled out surveys that we distributed at meetings.

Canadians shared with us their views, their hopes and their wishes for this country and for the budget, and we listened. We have delivered with Canada's economic action plan.

This economic action plan is what is necessary for the circumstances in which we find ourselves today. It is extraordinary action for an extraordinary situation.

The global economic crisis did not start here in Canada, but it is affecting us. While the depth and magnitude of this downturn are broader than anyone could have anticipated, we were certainly prepared for it.

Over the past couple of years we paid down \$38 billion on the national debt. We strengthened our financial system. We reduced the overall tax burden on Canadians to its lowest level in nearly 50 years, including cutting the GST from 7% to 6% to 5%.

That is why this past fall the World Economic Forum rated our banking system as among the safest in the world. That is why we entered the global recession later than other countries, why we are not as deep into the recession as other countries, and why we are expected to come out of recession earlier than other countries.

It is also why many other nations are emulating our actions, actions that have been widely viewed as the most prudent course of action leading up to this global economic recession.

We were ahead of the curve and our Prime Minister led the way for the rest of the world. That is why Canada is one of the best positioned countries during these global economic challenges.

Let me now address the decision to run a deficit, as I know there are those in Wild Rose who will be concerned about this decision.

Allow me to be very clear. We are in the midst of an unprecedented global economic slowdown, and we are taking the targeted action that we feel is necessary to stimulate our economy.

Let me be equally clear that this stimulus and the accompanying deficit is only temporary. We fully expect to return to a surplus situation in only a few short years. At that time our priority will be to repay the deficits expected in the next four years.

I liken our present situation to the average Canadian family or small business. When times are tough we must sometimes draw on a line of credit or use a credit card for a necessary purchase. However, when times improve and if we are being responsible, we immediately pay down the credit line and try to set aside money for a rainy day. That is what this government is doing. That is what we were doing when we paid off \$38 billion of the national debt.

That is why this situation will be temporary and we will return to surpluses and debt reduction when we come out of this global economic storm.

Our government is taking aggressive action to stimulate the economy with almost \$12 billion to improve local and key national infrastructure.

Many of the municipalities in my riding of Wild Rose have been among the fastest growing in the entire country over the last several years. Such explosive growth brings infrastructure challenges, the need for roads, overpasses, water and sewer, recreation and cultural facilities, to catch up with the increase in population. This investment in community infrastructure will help to address these challenges.

This investment also provides the double benefit of addressing community needs while stimulating the economy in the process, providing and creating employment for Canadians, and flowing money through the economy for needed supplies and materials.

The Budget

I am proud to report that among these projects is the funding to twin the final phase of the Trans-Canada Highway in Banff National Park in my riding all the way to the B.C. border. This is something that I know my predecessor Myron Thompson fought very hard for because I worked alongside him as he suffered through the inaction and indecision and complete ignorance of the former Liberal ministers on this file. It took a Conservative government to finally get action and to get this done and now it will be completed all the way to the B.C. border.

● (1725)

We are also taking action on another pressing need in my riding and throughout Canada, that of housing for seniors. As our population ages, this housing need will only grow larger in upcoming years. Our government is anticipating that need and providing for it now.

Our government is also stimulating housing construction through such measures as increasing the amount Canadians can withdraw from their RRSPs under the first-time home buyers' plan to provide a down payment for their new homes. We are also providing a tax credit to assist first-time home buyers with the costs associated with their home purchases and a renovation tax credit that will assist Canadians in undertaking renovations and improvements to their homes.

This program has already generated significant interest in my riding and, I am sure, across the country. It will be a huge benefit for many Canadian families. This tax credit encourages those who have been thinking about doing renovations maybe now, maybe in the future, to undertake them right now, which again creates the double benefit of helping Canadians with their needs while maintaining jobs and providing stimulus for the economy in these troubling times.

The very best stimulus for an economy is consumer confidence and consumer spending, and that is also the rationale behind our tax reductions, which are aimed at low- and middle-income Canadians, our seniors and our small businesses.

Canada's small and medium size businesses are the heart of Canada's economy. To help support our small business owners and the benefits and jobs they create for our economy, we are not only lowering their taxes but also ensuring their access to financing. Many small business owners in my riding have pointed out to me that they were facing this problem, and I am happy to be able to stand in the House of Commons today and report to them that their concerns were heard and that we are acting to ensure that they have access to the financing they need.

Many business owners in my riding, particularly in the Bow Valley, rely very heavily on tourism. That is why I am proud to report that we have provided funding in our economic action plan to support the Canadian Tourism Commission in marketing Canada as an international tourist destination.

The hon. Minister of State for Small Business and Tourism is leading the development of a national tourism strategy. I will be happy to support her in those efforts. The most internationally known tourist destination in all Canada is the picturesque Banff National Park, which is in my riding. Our government has recognized the importance of our national parks in our tourism

strategy by providing significant funding for improvements and enhancements to Parks Canada's visitor facilities.

Just as the Bow Valley relies on tourism, so do many parts of my riding rely on agriculture as a major part of our economy. Through many actions, including items contained in this budget, we are supporting our farmers. This support includes providing \$500 million for an agricultural flexibility program that will support innovation in the industry. We will help to make credit available for new farmers and to help support farmers in transferring the farm to the next generation. This is an important first step in helping to ensure the future survival of the family farm.

We have listened to the calls from the livestock industry in providing funding for increased slaughter capacity here in Canada.

Together we face a global economic crisis that did not originate here, but which is affecting us and will continue to affect us. Through the actions taken by our government to prepare us for these times and through our economic action plan, with the help of all Canadians we will weather this storm and come out of it stronger than ever before.

● (1730)

Mr. Greg Rickford (Kenora, CPC): Mr. Speaker, I commend my seatmate on his extraordinary and eloquent presentation on behalf of his constituents.

He remarked in his speech that he was concerned with the demands on municipalities. This robust infrastructure initiative in our economic plan involves cooperation from all levels of government. Could the hon. member describe additional measures the government is going to take to safeguard and ensure the ability of municipalities to grow stronger communities as a result of this economic plan?

Mr. Blake Richards: Mr. Speaker, certainly the hon. member is well aware of the infrastructure funding provided in our budget.

We are also making available up to \$2 billion over two years in direct low-cost loans to municipalities to help finance improvements related to housing infrastructure and such things as sewers, water lines and other regeneration projects in our neighbourhoods. Municipalities will have access to this significant new funding through provincial, territorial and municipal infrastructure initiatives.

We are doing a lot to provide for municipal infrastructure in terms of providing both funding and loans to municipalities to ensure that they have the resources to deal with the infrastructure challenges they are facing. Because of the explosive growth we have had in my riding, we certainly face many of these challenges. It is an honour to say that we will be helping those municipalities with those needs.

● (1735)

Mr. Rick Norlock (Northumberland—Quinte West, CPC): Mr. Speaker, I too would like to congratulate the member on his presentation here today.

The Budget

Could he contrast what we are doing during these difficult times with what occurred about 10 or 15 years ago, between 1993 and 1996, when the country experienced a downturn and the federal government dealt with deficit times? Could he contrast the differences in approach to health care spending, to social transfer payments, to the writing down of assets, to the employment insurance fund, and to many areas of our relationships with the municipalities and provinces, including the many municipalities that have been asking us outright for many dollars and are prepared and anxious to partner with us in the delivery of those things?

Mr. Blake Richards: Mr. Speaker, there is a very stark contrast between the approach of our government and the approach of the previous government in those times.

The first thing I would draw to members' attention would be the fact that our government undertook to deal with the situation very quickly and in consultation with many groups and individuals across Canada. We listened to Canadians and took action based on what we were hearing from them.

Another very strong contrast between the actions we have taken is that the previous Liberal government chose, at that time, to slash funding to health care and to other payments to provinces. That was done on the backs of the provinces. Our government has chosen instead to try to stimulate the economy through spending and through working with provinces and municipalities in a partnership to deal with the times we are facing. That is how our government has approached it. Rather than trying to put it on the backs of other levels of government, we have worked with them to try to get through these tough times.

We have also provided tax credits and tax cuts for Canadians to help them stimulate the economy through consumer spending and consumer confidence. That is the difference between the action our government is taking and the action we have seen on the other side.

[*Translation*]

Ms. Paule Brunelle (Trois-Rivières, BQ): Mr. Speaker, I will be sharing my time with the member for Chambly—Borduas.

In my opinion, this budget is a missed opportunity. We had a chance to help the most vulnerable members of society through the economic crisis, strengthen Quebec's economy and invest in forestry and manufacturing, the industries that are in crisis in Quebec. We have been talking about this for years.

According to Statistics Canada, between December 2007 and December 2008, my riding alone, Trois-Rivières, lost 3,200 out of a total of 69,000 jobs. The people in my riding are hurting, and we were really hoping this budget would offer at least some solutions to the economic crisis. It was vitally important to my constituents. When plants close, there are mass layoffs and people lose their jobs. It is truly devastating, and it is incredibly discouraging. But instead of offering solutions, this government turned its back on Quebec, and the bulk of the federal assistance went to Ontario and the auto industry.

The Bloc Québécois had proposed a number of solutions to this crisis as early as last November. But for purely partisan reasons, the Conservative government rejected these proposals, which promised a better future for Quebec. In addition to amending the equalization

formula without consultation and creating a single securities regulator, this budget leaves Quebec's forestry and manufacturing industries in the lurch. MPs from Quebec are going to have to choose between Quebec's interests and Canada's.

Quebec's industrial base is different from the industrial base in the rest of Canada. The federal government had a duty to support Quebec's economy in these tough times. It did not. This budget is clearly anti-Quebec, and it misses the mark.

As far as natural resources are concerned—one of my concerns as a critic—I would like to speak about the forestry sector. This budget afforded the government a golden opportunity to help the forestry and manufacturing sectors. The forests are important to Quebec, with in excess of 200,000 direct and indirect jobs on which whole communities depend. In the Trois-Rivières et Mauricie region alone, thousands of jobs depend on the forests. There is no help for them in this budget. In fact, compared to the \$2.7 billion allocated solely to the auto industry, concentrated in Ontario, the \$170 million for the forestry industry seems mightily slim. It is clearly inadequate and unacceptable.

As well, of that \$170 million, \$10 million is earmarked for the promotion of “Buy Canadian” in foreign lumber markets. What can that mean to a company incapable of generating any profit because it has been strangled by one crisis after another for the past five years? What those companies need—as we have said on numerous occasions in this House—is repayable loans and loan guarantees to upgrade their equipment. The federal government's mission is to enable these companies to modernize in times of crisis in order to improve their productivity on the international stage and enable them to recover when the economic situation improves. Yet the conservative government has abandoned the Quebec forest industry.

When this industry has been hit by one crisis after another since 2004, such as the softwood lumber dispute, the forestry crisis, the drop in U.S. demand, and now the financial crisis, the federal government should be helping it get back on its feet. Instead it has done nothing.

A reading of this budget clearly shows that funding to the Quebec forest industry is a joke. This is a glaring example of the Conservative government turning its back on Quebec.

The Bloc Québécois is attempting to rectify some of this with the amendment to the amendment put forward in the House today.

Let us talk about equalization. The amendment to the equalization formula, without consulting Quebec and the provinces, is an insult to all Quebecers. This amendment will cut \$1 billion from equalization payments to Quebec this year.

● (1740)

Need I remind hon. members that it is the Government of Quebec that provides health services and education, the cornerstones of a healthy economy? A shortfall of \$1 billion this year will leave Quebecers on the hook. The budgets of schools, hospitals and all front-line stakeholders will be cut. That is unacceptable for any Quebec MP.

The Budget

Once again, just like when the Liberals were in power, the federal government is transferring its problems to Quebec. This clearly illustrates that the fiscal imbalance has not been resolved.

The National Assembly has unanimously voted against this “one-way federalism”. For that reason and as defenders of the interests of Quebec, and of Quebec alone, we will vote against this budget.

It is evident from this budget that recognition of the Quebec nation is but an empty shell devoid of any meaning for this government.

The budget indicates that they want to move forward with a single securities commission in Toronto. We find that unacceptable. To top it off, this government is even considering going to the Supreme Court to interfere in a matter that is strictly the jurisdiction of Quebec. And yet, the current system is working very well. It has been held up as an example by the OECD. The current way of doing things works well. The passport system, like the European system, allows for a co-ordinated approach in the application of legislation, a uniform and pan-Canadian protection of investors. Why dismantle what works?

Creating a single securities commission would result in a regulatory monopoly in Toronto. It would eliminate from the current system the advantages of regulatory competition. This system, which is working well, would work even better if Ontario decided to not go it alone and joined Quebec and the provinces that have already come to an agreement on this matter. The reason for Ontario's refusal to cooperate is quite simple. Like Ottawa, the province wishes to centralize all regulatory matters in Toronto. It is as simple as that. Calling for better protection is tantamount to stating the existing commissions are not doing their job. That is absolutely false.

The presence of the 13 regulators ensures that the creation and implementation of regulations will take into account the diverse opinions and ensure adequate representation of small markets. This structure has even allowed for innovation, both in Quebec and in western Canada.

The OECD has ranked Canada second when it comes to securities regulation. The World Bank also described as Canada a leader in the field. This recognition also reflects on Quebec, which, through the Autorité des marchés financiers, contributes to Canada's excellence. Why would the federal government want to change a system that works, that is held in high regard around the world, and that allows efficient and effective protection of financial operations in Quebec and Canada?

The Bloc Québécois will strongly oppose the creation of a single, centralized securities commission in Toronto, and it fully supports the Autorité des marchés financiers du Québec.

Several things become clear upon reading the budget. First of all, the Conservative government has decided to ignore Quebec's demands. Instead of helping Quebecers, this government decided to divest them of significant resources to deal with this crisis, particularly by cutting off \$1 billion in equalization payments to Quebec beginning this year, and by going ahead with its plans for a securities commission.

Compared to the \$2.7 billion given only to the auto industry, which is centred in Ontario, the \$170 million for the forestry industry

seems paltry. Clearly, it is not enough. And what are we to say about the fact that this same government will not uphold the rights of women to settle pay equity issues in court?

For all these reasons, we will vote against this budget and we are proposing this subamendment, which reflects the unanimous demands of the Quebec people and the Quebec National Assembly.

• (1745)

[*English*]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP):

Mr. Speaker, when the folks in my riding of Hamilton East—Stoney Creek looked at the budget, we were struck by the dollars that were supposed to be available to municipalities for infrastructure. The concern in our area is for the water treatment plant that is in desperate need of upgrading. We are talking in the area of \$100 million. The Province of Ontario has said that it is in for \$100 million but if we are talking about matching funds it makes the project almost unfeasible for Hamilton. I am sure many municipalities across the country, particularly Quebec, are asking the same question.

Could the member tell me what she has heard in regard to those kinds of concerns and the responses they are getting?

[*Translation*]

Ms. Paule Brunelle: Mr. Speaker, I would like to thank my colleague for his question. There is no doubt that this is a big concern for us and for our municipalities. Let us not forget that our water systems, among other things, are very old. A lot of our aging infrastructure needs upgrading. It is not at all clear that municipalities will be able to cover 50% of the cost, given their shrinking tax base. Right now, houses are being sold, home values are dropping and businesses are closing. That means that it will be very difficult for our cities to do this work.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I would like to begin by congratulating my colleague from Trois-Rivières for having communicated our party's position so clearly. I know that because of our time limit, she did not have time to discuss one point in her remarks: what happens to people who lose their jobs.

There have been job losses in her region too. Does the fact that about 60% of unemployed workers are excluded from the system have repercussions in her riding? Would people have welcomed measures to improve access to the system right now?

• (1750)

Ms. Paule Brunelle: Mr. Speaker, I did not have time to talk about employment insurance issues. I know that my colleague from Chambly—Borduas will do a much better job of it than I because it is his specialty.

However, it is clear that eliminating the waiting period would have made a big difference in my riding. Some families have to wait as long as a month before getting any help. Improving the employment insurance system and the program for older workers who lose their jobs during massive layoffs should have been a priority because a lot of the people in my riding are dealing with these problems.

The Budget

It is a real tragedy that some people who have contributed to employment insurance their whole lives get no support. Families, especially children, end up paying the price. We often hear that the reason we still have poor children in Canada is that we have poor families, and that is tragic. The government should have done something to fix that.

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I must again congratulate my colleague from Trois-Rivières. In my opinion, she has explained my party's position very well, so I shall try to avoid going back over what she has addressed. I will, moreover, try to demonstrate in my speech that something rather intriguing has been going on here. I will take my cue from the reaction other parliamentarians, coming from parliaments in other countries, would have if they came here and tried to understand what is happening just now.

There is a party in power, a party that in November presented an ideological and highly partisan economic statement, which provoked a reaction in the majority opposition, which then created a coalition, and that in turn created the situation we have experienced: the highly arbitrary prorogation of the House. In other words, the Queen was asked to keep the elected representatives out until the government could redo its homework.

We ended up with a coalition of Liberals and New Democrats, supported by the Bloc Québécois. I mention this because it enabled us to understand the position of each party in opposition with respect to its commitments to their constituents.

The platform on which that coalition was based is still to this day the platform embraced by the Liberals. I would say that it has also generated consultations by the Conservatives themselves. I have a summary here that gives an overview of that, and there are more available. The newspaper that covers the riding of Lévis-Bellechasse is called *La Voix du Sud* and the member for that riding reports that he consulted the public. We believe this because it was reported in the media. This consultation reveals that the people in his riding told him just about the same thing that we have been saying here: improvements need to be made to employment insurance and accessibility to it.

He was even told that the number of hours to qualify for benefits should be 360. And he was told that the waiting period needed to be done away with. That is what he heard from them and that is what has been said by the Liberals, the NDP and ourselves. The Conservatives have said it, too. They heard it from us here. We even told them that the guaranteed income supplement needed to be indexed and that the seniors who had been cheated out of it needed retroactivity.

None of this is reflected in the budget. Yet we are told that the budget was based on the consultations that had been held. I have heard our Liberal colleagues say the same thing in this House. They also confirmed their intentions in the coalition platform. What is more, the Liberals have criticized the government for tabling such a budget, yet they are saying that they are going to vote in favour of the budget.

If I were a parliamentarian from another country, sitting here listening to this and watching this, I would wonder what was going on. Do these people represent their constituents or not? What are

they playing at? In light of the mandate given to them by their constituents, do they have a responsibility to come into this House and do what they say they are going to do?

In November, the Conservatives delivered an ideological throne speech and an ideological economic statement. They wanted to come up with a slightly more progressive budget. Today, the Liberals are talking like progressives, but they are going to vote with the Conservatives.

• (1755)

People are understandably confused and no longer know who to trust, because the Liberals and the Conservatives are all the same. It is true that they are all the same. They all vote the same way when it comes to attacking fundamental rights. It is a fact. The government has eroded women's rights and workers' rights. Workers in Quebec do not have the same rights as workers in other provinces. For example, the government is injecting money into the auto industry in Ontario. It is right to invest in this sector. We are not saying that these people do not deserve support. But if they deserve support, then logically, the government should make the same commitment to Quebec and take the same steps to help such important sectors as manufacturing and forestry. There can be no double standard. The same logic should apply to parliamentarians here. They, too, should walk the talk, especially our Liberal friends.

The same is true of culture, which my colleague talked about. The government has made cuts that have affected our artists' ability to perform on other stages, in other countries. The government is going to provide funding so that foreign artists can come here to share their culture with us, but our artists do not have access to funding for the same purpose.

Concerning the national securities commission, what reason is there to abolish something or make it more fragile when it is working well, other than the desire to centralize and create an economic power concentrated in Toronto?

As for low-income families, the Liberal Party has made them one of their pet issues. It said that we should help the weakest, the poorest, in our society. We see that this budget contains measures that will support the wealthiest in our society.

I will finish by speaking about employment insurance. My colleague spoke about it. Something quite dramatic is happening. Not only do our federal friends here not want to introduce measures that would allow workers who have lost their jobs to have access to employment insurance benefits, but the budget would lock things up so tightly that we would not be able to implement any improvements. For one thing, rates are being frozen at the lowest level we have seen since 1982. That is rather odd. However, it is one of the messages heard in every riding, even those represented by Conservatives. Earlier, I read the summaries of their consultations. Our Liberal friends have made it one of their pet issues and, today, they will vote in favour of the budget, a budget that will block any possibility of improving employment insurance benefits and, above all, accessibility. In fact, 60% of people who lose their jobs cannot access employment insurance benefits. It is a major problem and it is one of the measures that is impoverishing our society and the people who are already struggling without jobs.

The Budget

I am speaking particularly to my colleagues from Quebec. I am inviting them to vote in favour of the Bloc's subamendment in a few minutes. It will give them the opportunity to respect the will of their constituents.

• (1800)

This is the opportunity the Liberal member was alluding to when he asked the member from Kelowna—Lake Country why they did not take the opportunity to improve the employment insurance system. How could it be that he and his party missed that opportunity? Now we are giving them that chance. They simply have to vote for the subamendment.

* * *

BUSINESS OF THE HOUSE

EMERGENCY DEBATE ON PUBLIC TRANSIT LABOUR DISPUTE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I rise on a point of order. There has been a development today that will be of interest to my hon. colleagues in the House.

[*English*]

Today, through numerous meetings, consultations and co-operation, both the City of Ottawa and the union have agreed to refer the outstanding issues to binding arbitration.

[*Translation*]

Considering the extensive cooperation shown in the House, I would like to congratulate and thank my hon. colleagues. I would especially like to thank our party spokesperson, the hon. member for Beaches—East York. I would also like to thank the hon. members for Hull—Aylmer and Ottawa South for their cooperation, as well as the members of all parties. Today we saw an excellent example of how the government and opposition parties can work together. This encouraged the parties involved in the subject of tonight's emergency debate to reach an agreement and refer everything to binding arbitration.

[*English*]

Mr. Speaker, given this development, I believe if you were to seek it, you would find unanimous consent to adopt the following motion. I move:

That the emergency debate scheduled tonight be cancelled and that its cancellation not preclude a member from requesting another emergency debate on the same topic at another sitting of the House.

That is in the event that things go off the rails between now and Monday.

The Speaker: Is there unanimous consent to dispense with the emergency debate ordered for later this evening without prejudice?

Some hon. members: Agreed.

(Motion agreed to)

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that the House approve in general the budgetary policy of the government, and of the amendment and of the amendment to the amendment.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member raised some interesting issues, particularly about EI. The member has been very vocal on the subject with regard to the need to have a vision as to what is going to happen to the people in each and every one of Canada's provinces and regions when the full impact of the job loss occurs. We have inevitable problems with older workers, who may never find the gainful employment that they enjoyed before they lost their jobs.

We have a government that failed to recognize that the EI system is already overloaded, that there are significant delays in processing claims, that people are going to need it, and that the government should have thought of dealing with the two-week waiting period as opposed to simply adding five weeks to the end. It fails to recognize these challenges.

It also fails to recognize that people who lose their jobs are in a stressful, desperate situation. Health care costs are going to go up as a result of mental and physiological problems, as well as the demand on social services that will need to be provided, and the fact that crime and criminal justice costs will inevitably rise, particularly policing. Health care, social services and policing costs are all provincially funded and yet the transfers to the provinces did not go up to take care of these inevitable problems that are going to occur.

I ask the member whether or not he sees these as potential problems that people in Canada are going to face as a result of this and that the government has in fact failed to respond to the inevitable needs of Canadians.

• (1805)

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I would like to thank the hon. member for Mississauga South for his very pertinent question. He raised a number of points. I will address two of them, since we do not have much time. Indeed, we have a serious problem involving older people who are losing their jobs and who have no options, since they cannot find another job. This is a serious problem because they have no income potential. Once there was a program called POWA, the program for older worker adjustment, which needs to be brought back. Both the Liberal Party, when it was in power, and the Conservative Party have promised to bring it back. No one has kept that promise.

I also share my hon. colleague's opinion regarding the importance of eliminating the two week waiting period before employment insurance benefits kick in. This would give people an income very quickly, especially in an economic crisis such as this one. As we all know, whenever someone loses their job, they suffer quit a jolt, which is costly enough. No one has money to burn when they lose their job.

I thank my hon. colleague for his question.

The Budget

[English]

Mr. Wayne Marston (Hamilton East—Stoney Creek, NDP): Mr. Speaker, I want to say to the member opposite that repeatedly, in this place, I have seen that member and other members of the Bloc stand to defend the rights of the unemployed, the rights of those about to be unemployed, and with respect to this motion, women's rights. I am pleased to say today that this raises the level of debate in the House which has been needed for a long time. I really appreciate his demeanour because the passion that is behind such feelings often spills over.

The budget talks about employment insurance. The fact is that we do not get any change not only in the two weeks at the front end but in those who will qualify. I just find it a little bit ironic that the person raising that a few minutes ago was a member of the party that made changes to EI in the first place in 1995.

Beyond that, in my office in Hamilton East—Stoney Creek, we are get many calls currently from people applying for employment insurance who are weeks and weeks behind. There has to be a change as well in the number of folks who are in government offices processing because we are predicting 300,000 more lost jobs for this coming year.

Are people having the same problems in Quebec with the activities around delivery of that service?

[Translation]

Mr. Yves Lessard: Mr. Speaker, I also thank my NDP colleague for his question.

In fact this is causing just as many problems in Quebec. In some areas, there have been delays of up to 50 days. That is unacceptable. This waiting period of 28 days is long enough. It is significant. When you lose your job, you often have new expenses and you already have to wait 28 days. It is unacceptable that the waiting period is so long, especially today, given that we have the resources to organize our services more efficiently.

In summary, in this budget, employment insurance measures include a five-week extension of benefits, but only for recipients. 60% of applicants do not receive benefits. Nothing has been solved. We need eligibility rules that will allow these people—60% of applicants—to qualify.

• (1810)

[English]

The Speaker: Resuming debate, the hon. member for Mississauga—Erindale. He will have limited time.

Mr. Bob Dechert (Mississauga—Erindale, CPC): Mr. Speaker, I am honoured to share my time today with the hon. member for Red Deer.

I am pleased to speak today in favour of Canada's economic action plan, as tabled by the hon. Minister of Finance, and I respectfully encourage all my fellow parliamentarians to support budget 2009. In my view, the government's economic action plan provides much-needed stimulus for our nation's economy that is timely, targeted, temporary and cost effective. I believe that the measures contained in our plan will lay the foundation for long term growth.

As we all know, Canada is facing the domestic effects of an unprecedented global financial crisis. Our financial institutions, while strong and sound by international standards, face the double jeopardy of an unavailability of liquidity to provide much needed loans to business and a short term negative economic forecast that causes them to hold back in making the loans and investments that Canadian business requires.

Credit-worthy Canadian businesses cannot access necessary sources of debt and equity to operate in the normal course and make the types of investments that will enable them to enhance their competitiveness and operate in a more environmentally sustainable way. Hard-working families are justifiably worried about their jobs and financial security and accordingly are cautious about spending and incurring debt.

These are truly extraordinary times. This is not a normal economic downturn. Despite the fact that Canada's economy is in relatively much better shape than any G7 nation, thanks in large part to the previously implemented economic and fiscal policies of this government, we must take extraordinary steps now to offset the domestic effects of the current crisis in world financial systems.

Given Canada's very favourable debt to GDP ratio, we have an opportunity now to borrow modestly at historically low interest rates and put that money to work for all Canadians to soften the impact of a financial crisis created beyond our borders and to help our economy emerge stronger, more competitive and a leader in cutting edge technology and industries.

The economic action plan is a coordinated plan that will simultaneously protect jobs through critical support for the auto industry, tax incentives for new investments in production machinery and environmental technologies and generous enhancements to the employment insurance program.

It will create new jobs through immediate and strategic investments in roads, bridges, public buildings, colleges and universities, investments that will enhance the efficiency of our economy and improve the quality of life for Canadians throughout this great land. It will maintain and create further jobs by incentivizing consumers to purchase homes and automobiles, and to renovate existing homes to enhance their value and energy efficiency.

It will also protect the most vulnerable in our society by providing significant new support for training for those laid-off workers to give them the knowledge and skills required to shift into new and emerging industries. It will provide tax cuts for hard-working, low income Canadians and significant new investments in affordable housing.

The Budget

The economic action plan is proof that we listened and delivered. As members know, the Prime Minister, the Minister of Finance and all of our members of Parliament met across the country with thousands of individuals, businesses, municipal and provincial governments and other stakeholders. This broad and comprehensive consultation process elicited many good suggestions, which are reflected in the economic action plan.

As a Conservative member of the Parliamentary Standing Committee on Finance, I have participated in meetings with over 45 stakeholder groups. In my home province of Ontario, I met with the region of Peel, the city of Mississauga, local boards of trade, labour groups, charitable and social welfare organizations and ordinary citizens at public town hall meetings. In all of those consultations there quickly emerged a consensus on broad initiatives to stimulate our economy and protect workers and the most vulnerable in our society.

I am pleased to acknowledge that these important and desired initiatives have been included in Canada's economic action plan. We were advised by the Mississauga Board of Trade and many others to revise the employment insurance program to help save jobs through work-sharing. We responded by extending support for work-sharing arrangements by 14 weeks.

• (1815)

I would like to read from a press release, released by the Mississauga Board of Trade yesterday, in which it describes how the government responded to its requests.

The headline reads, "Federal budget is positive step forward for business and economy". The statement reads:

Mississauga Board of Trade was pleased to see the federal government present a budget that took extraordinary measures to address an extraordinary economic climate.

MBOT President & CEO, Sheldon Leiba said, "Now we have the confidence that the federal government has a plan and strategy in place to restore our economy and achieve long-term competitiveness."

The Speaker: I regret to interrupt the hon. member.

It being 6:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the subamendment now before the House.

[Translation]

The vote is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: All those in favour of the amendment to the amendment will please say yea.

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion, the nays have it.

And five or more members having risen:

The Speaker: Call in the members.

And the bells having rung:

• (1845)

(The House divided on the amendment to the amendment, which was negated on the following division:)

(Division No. 1)

YEAS

Members

Allen (Welland)	André
Angus	Ashton
Asselin	Atamanenko
Bachand	Beaudin
Bellavance	Bevington
Bigras	Black
Blais	Bonsant
Bouchard	Bourgeois
Brunelle	Cardin
Carrier	Charlton
Chow	Christopherson
Comartin	Crête
Crowder	Cullen
Davies (Vancouver Kingsway)	Davies (Vancouver East)
DeBellefeuille	Demers
Deschamps	Desnoyers
Dewar	Dorion
Duceppe	Dufour
Duncan (Edmonton—Strathcona)	Faille
Freeman	Gagnon
Gaudet	Godin
Gravelle	Guay
Guimond (Rimouski-Neigette—Témiscouata—Les Basques)	Hughes
Guimond (Montmorency—Charlevoix—Haute-Côte-Nord)	Julian
Harris (St. John's East)	Laframboise
Hyer	Layton
Laforest	Leslie
Lavallée	Lévesque
Lemay	Maloway
Lessard	Martin (Winnipeg Centre)
Malo	Masse
Marston	Ménard (Hochelaga)
Martin (Sault Ste. Marie)	Mourani
Mathysen	Nadeau
Ménard (Marc-Aurèle-Fortin)	Paillé
Mulcair	Plamondon
Ouellet	Rafferty
Paquette	Savoie
Pomerleau	St-Cyr
Roy	Thi Lac
Siksay	Vincent
Stoffer	
Thibeault	
Wasylcia-Leis — 85	

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Albrecht	Allen (Tobique—Mactaquac)
Allison	Ambrose
Anders	Anderson
Andrews	Ashfield
Bagnell	Bains
Baird	Bélanger
Benoit	Bernier
Bevilacqua	Bezan
Blackburn	Blaney
Block	Boucher
Boughen	Braid
Breitkreuz	Brisson
Brown (Leeds—Grenville)	Brown (Newmarket—Aurora)
Brown (Barrie)	Brunoogoe
Byrne	Cadman
Calandra	Calkins
Cannan (Kelowna—Lake Country)	Cannis
Cannon (Pontiac)	Carrie

The Budget

Casson	Chong	Norlock	O'Connor
Clarke	Clement	O'Neill-Gordon	Obhrai
Coady	Coderre	Oda	Oliphant
Cotler	Crombie	Pacetti	Paradis
Cummins	Cuzner	Patry	Payne
D'Amours	Davidson	Pearson	Petit
Day	Dechert	Poilievre	Prentice
Del Mastro	Devolin	Preston	Proulx
Dhaliwal	Dhalla	Rae	Raitt
Dion	Dosanjh	Rajotte	Ratansi
Dreeshen	Dryden	Rathgeber	Regan
Duncan (Vancouver Island North)	Duncan (Etobicoke North)	Reid	Richards
Dykstra	Easter	Richardson	Rickford
Eyking	Fast	Ritz	Rodriguez
Finley	Flaherty	Rota	Russell
Fletcher	Folco	Savage	Saxton
Foote	Fry	Scarpaleggia	Scheer
Galipeau	Gallant	Schellenberger	Sgro
Garneau	Glover	Shea	Shipley
Goldring	Goodale	Shory	Silva
Goodyear	Gourde	Simson	Smith
Grewal	Guarnieri	Sorenson	Stanton
Guergis	Hall Findlay	Storseth	Strahl
Harper	Harris (Cariboo—Prince George)	Sweet	Szabo
Hawn	Hiebert	Thompson	Tilson
Hill	Hoback	Toews	Tonks
Hoepfner	Holder	Trost	Trudeau
Holland	Ignatieff	Tweed	Uppal
Jean	Jennings	Valeriotte	Van Kesteren
Kamp (Pitt Meadows—Maple Ridge—Mission)	Kania	Van Loan	Vellacott
Karygiannis	Keddy (South Shore—St. Margaret's)	Verner	Volpe
Kennedy	Kenney (Calgary Southeast)	Wallace	Warawa
Kent	Kerr	Warkentin	Watson
Komarnicki	Kramp (Prince Edward—Hastings)	Weston (West Vancouver—Sunshine Coast—Sea to Sky Country)	
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McGuinty	McKay (Scarborough—Guildwood)		
McLeod	McTeague		
Mendes	Menzies		
Merrifield	Miller		
Minna	Moore (Port Moody—Westwood—Port Coquitlam)		
Moore (Fundy Royal)	Murphy (Moncton—Riverview—Dieppe)		
Murphy (Charlottetown)	Murray		
Neville	Nicholson		

PAIRED

Nil

The Speaker: I declare the amendment to the amendment lost.

It being 6:45 p.m., this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6:46 p.m.)

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