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OFFICIAL REPORT
(HANSARD)

Tuesday, May 9, 2006

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Tuesday, May 9, 2006

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

•(1000)

[*English*]

COMMISSIONER OF OFFICIAL LANGUAGES

The Speaker: I have the honour, pursuant to section 66 of the Official Languages Act, to lay upon the table the annual report of the Commissioner of Official Languages, covering the period from April 1, 2005 to March 31, 2006.

[*Translation*]

Pursuant to Standing Order 108(3)(f), this report is deemed permanently referred to the Standing Committee on Official Languages.

* * *

[*English*]

BANKRUPTCY AND INSOLVENCY ACT

Ms. Chris Charlton (Hamilton Mountain, NDP) moved for leave to introduce Bill C-270, An Act to amend the Bankruptcy and Insolvency Act, the Canada Business Corporations Act, the Employment Insurance Act and the Employment Insurance Regulations.

She said: Mr. Speaker, I am privileged to introduce Bill C-270, the short title of which is the workers first bill, which will at last put workers first in the event of a bankruptcy. In a country that sees over 10,000 commercial bankruptcies a year, it is essential that any back wages, benefits or pension contributions owing to employees rank first when the assets of a bankrupt company are distributed, not last, as is all too often the case.

It is also necessary to make consequential amendments to the EI act so that benefits to workers from the distribution of the assets of the bankruptcy are not clawed back as income from benefits under EI.

Finally, through this bill, the process will be expedited by which employees can seek redress from the directors of a bankrupt

company should there not be enough remaining assets to distribute to make up back wages, benefits or pension contributions.

This bill is vital for protecting working families in Canada. I want to thank both the United Steelworkers and my colleague, the member for Winnipeg Centre, without whose friendship, support and tireless work I would not have been able to bring the bill before the House today.

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

* * *

•(1005)

[*Translation*]

PETITIONS

CHILD CARE

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I am pleased to table a petition signed by Nova Scotian families who are concerned about the government's intention to cancel the daycare agreement.

[*English*]

This petition comes from the Atlantic Centre of Excellence for Women's Health. The petitioners are very concerned about the government's plan to kill child care. It is signed by distinguished leaders in the child care community, such as Christine Dunn and many others, who have asked me to bring this forward. It is my pleasure to do so.

[*Translation*]

IMMIGRATION

Ms. Johanne Deschamps (Laurentides—Labelle, BQ): Mr. Speaker, on behalf of myself and of the member for Vaudreuil-Soulanges, I have the honour to table a petition concerning lives in limbo signed by 4,000 people. The petitioners are asking the government to establish a process that will facilitate granting permanent residency to any individual who has been in Canada for more than three years and who comes from one of the countries under a moratorium, such as Afghanistan, Burundi, the Democratic Republic of the Congo, Haiti, Iraq, Liberia, Rwanda and Zimbabwe.

This state of uncertainty is a major cause of human anguish and suffering, so we believe it must be acted on quickly.

*The Budget**[English]*

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, I wish to table a petition on behalf of the Canadian Council for Refugees and other partners, calling on the Canadian government to establish a process to facilitate the granting of permanent residence to persons who have been in Canada for more than three years and who are from countries on which Canada has imposed a moratorium on removals.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Rod Bruinooge (Parliamentary Secretary to the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I ask that all questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS*[English]***THE BUDGET**

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from May 8 consideration of the motion that this House approves in general the budgetary policy of the government, and of the amendment.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Mr. Speaker, I will be splitting my time with the member for North Vancouver.

On May 2, the Minister of Finance presented the budget to the House of Commons. I will state from the outset that I cannot support this budget because it lacks the vision, the imagination, the creativity and, more importantly, the leadership that Canadians are looking for. This budget is not in the best interests of Canadians, but more importantly, in my opinion as a representative for Mississauga—Brampton South, this budget is not in the best interests of my constituents.

Since June 2004, I have had the honour and privilege of speaking to many constituents in my riding of Mississauga—Brampton South. I have maintained an ongoing dialogue with them through various means: householders, via the Web, discussions, town hall meetings, and meeting with my constituents at events. Also, as a resident of Mississauga—Brampton South, I know their concerns. I know their priorities. I can confidently say that this budget does not represent their priorities or mine.

I will articulate what our priorities are.

The constituents of Mississauga—Brampton South want to see commitments made to improve the infrastructure that is causing gridlock. This budget fails to meet that need.

My constituents also want to see the government commit to building the foundations of a national early learning and child care

system, which was started under the previous Liberal government. Again, this budget fails to meet that need.

Lastly, my constituents want to see significant investments made in post-secondary education. Once again, this budget fails to meet that need as well.

Mississauga—Brampton South is a dynamic and robust region and is growing at a very rapid pace. The local economies are thriving. The population growth in these two urban centres is outpacing the average population growth in the rest of Canada.

Unfortunately, the construction of more roads, more lanes and upgrades to highways has not been able to keep pace with the population growth. This is causing an enormous amount of traffic congestion and slowdowns. For example, what used to be a quick eight minute drive from highway 403 to highway 407 along Hurontario has turned into a 30 minute crawl. Trust me: when trying to get to my constituency office it is a very painful drive and that is on a good day.

However, this is more than just a matter of gridlock. At its core, this is a quality of life issue. Mothers and fathers, husbands and wives and daughters and sons are spending more time on the road and less time with their loved ones. Fortunately, there are a few local initiatives under way to help reduce gridlock and modernize the public transit systems. Unfortunately, the government has failed to deliver any such commitment in the budget for these very important initiatives.

The AcceleRide system in Brampton and the bus rapid transit system in Mississauga are two very innovative initiatives to improve public transit systems in order to promote local use of an efficient and quality public transit system. A first class and convenient public transit system will motivate more residents to ride the bus to work instead of clogging up the roads with their cars, but in order for commuters to want to use such a system, it must be beneficial for them. The modernizing of these systems would include lane widening, transit signal priority, and the purchase of new vehicles at an estimated cost of \$280 million for AcceleRide and \$270 million for the BRT.

The Government of Ontario presented its budget last month and has committed to providing \$95 million for AcceleRide and \$90 million for the BRT. This represents one-third of the funding. This is not the first time I have raised this issue in the House of Commons, so the government is fully aware of the issue. It has failed to deliver for the residents of Mississauga—Brampton South. Not only has the government failed my constituents, the residents of my particular riding of Mississauga—Brampton South, but it has failed all constituents in the greater Toronto area.

The next budget issue I would like to talk about is child care. This budget has also failed to deliver on the child care needs of my constituents. Learning is a lifelong venture. It is important that children under the age of six receive the proper care and education they need. It has been clearly demonstrated that early learning provides a foundation that kids need to succeed as they develop into adults.

The Budget

•(1010)

The majority of households in my riding cannot afford to have only one parent working. It is therefore necessary that the government respect those parents who have decided to enter the workforce. It is about respect, plain and simple. In many cases, where there is only one parent, an extra \$100 a month will not substitute a month's salary.

It does not make sense why the government would abolish such an important national system for the sake of a few extra votes. Creating a national child care system is, I believe, our generation's medicare. If Lester B. Pearson had given Canadians \$25 a week and called it health care, would that truly have been a health care system? Our health care system might not be perfect, and I acknowledge that, but it is an institution that Canadians rely on and are grateful for.

In March, the finance minister of Ontario announced that no new child care spaces would be created in Ontario as a direct result of the new government's commitment to scrap child care. The province has maintained that it will need to spend the last \$63.5 million of the instalment of federal child care funding to maintain the 14,000 spaces over the next four years. This equates to zero new spaces for my constituents.

Presently, in Peel region, only one in nine children under the age of six have access to licensed child care. Over 600 families are on waiting lists for child care spaces in Mississauga alone. Residents of Mississauga—Brampton South were looking forward to the creation of new child care spaces and now there will be none. This is not progress. This is not the wishes of Canadian parents. This is unacceptable.

I want to talk about post-secondary education: Last year I served the previous prime minister as his parliamentary secretary. I was given the opportunity to travel the country to visit several universities and colleges to engage with students. I also visited high schools and elementary schools in the riding talking to students and parents about the essential needs and importance of a good quality education. As many students turn from secondary to post-secondary education, they require the government to help pay for tuition and to provide them with some debt relief.

The government has an important role to play but the budget does nothing to address post-secondary education. As we move forward as a country, an educated workforce is essential for Canadian companies to compete in an innovative and international global economy. How are our students to compete with students from China or India when the government does absolutely nothing to even consider education to be a priority? How will we create a strong, knowledge based economy?

The Liberal Party had a platform in the last election to give up to \$6,000 per student over four years to help pay for their university fees. The government's plan is to give students \$80 for textbooks. That is not a vision; that is a sales pitch.

After looking through the budget, I see the same theme repeating itself over and over again. I see a lack of vision, a lack of creativity, a lack of imagination and, more important, I see a lack of true leadership.

I have talked about the budget very clearly and I have outlined three key areas. I will once again reiterate those areas: first, a lack of investment in post-secondary education; second, a lack of investment in early learning child care; and third, a lack of investment for transit. However, that is not all. The government has increased personal income taxes at the cost of reducing the GST, again misleading the Canadian public. It has failed to address climate change and, more important, how can we as Canadians look at ourselves in the mirror when we fail to address the needs of Canadian aboriginals?

For all those reasons and the reasons that directly affect my constituency, I want to make it crystal clear again that I cannot support the budget.

•(1015)

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Mr. Speaker, I want to clarify one point for the record. There is no national child care program and there never was any national child care program. In 1993 the Liberals ran on a platform that they would create a national child care program and they did not. In 1997 the Liberals ran on a platform that said they would create a national child care program and they did not. In 2000 they ran on a platform that said they would create a national child care program and they did not. In 2004 they ran on a platform that said they would create a national child program and they did not. Those are the facts.

People can debate whether there ought to be one or not, and I am sure my colleagues in the NDP will argue that there ought to be one, but I think they would agree with me that there is not one.

In the last Parliament I sat on the human resources, skills development, social development committee. When the then minister was appointed to that file I thought there probably would be legislation but no legislation was brought forward on a national child care program. After 12 years of promising it, the Liberals never delivered it.

The bottom line is that the last government committed funds to national child care. The minister negotiated a series of one on one deals with the provinces. Some were signed and some were not.

Why does the member perpetuate the misconception that there is or ever has been a national child care program? There never was and, under your government, there was never going to be. Why do you keep putting this idea forward as true when it clearly is not?

The Deputy Speaker: I would remind the hon. member that we are supposed to refer to each other here in the third person, unless you were asking me those questions about the child care program. I will assume that you were speaking through the Chair.

Hon. Navdeep Bains: Mr. Speaker, I want to reiterate one fact. We increased personal income taxes to offset this decrease of 1% in the GST. I have spoken to many retailers and they have made it crystal clear that they will not pass on the savings to consumers.

With respect to child care, that is a fair comment. The last time I checked and after speaking with my colleagues I was reminded that the child care agreements were signed with the provinces. We had a framework. Not only did we sign with them but we provided them with funding.

The Budget

I would like to remind the hon. member that it is crystal clear that Canadians have two options. They can have an early learning national child care system that was signed with all the provinces and territories, and funding was in place, or we can give Canadian parents \$100 a month to raise their children and tell them to fend for themselves. That is not a Canadian value nor a Canadian tradition. That is not the Liberal Party's way.

• (1020)

[*Translation*]

Mr. Gérard Asselin (Manicouagan, BQ): Mr. Speaker, this budget is one of transition. The government's true budget will likely be that of February 2007. Quebeckers and Canadians are ready to give this government a chance, since they voted for change. Let us give this government a chance to prove itself.

The hon. member spoke earlier about highway infrastructure problems. Quebec roads are in a serious state of disrepair. Projects have been proposed, including one in the riding of Manicouagan on the North Shore, to build a bridge between Baie-Sainte-Catherine and Tadoussac, and to improve highway 389, which is needed to open up the region between Kegaska and Blanc-Sablon, on the Lower North Shore. The only winter access route as of 2006 is by snowmobile. However, during all of the previous Liberal government's terms, these people proposed improvement and construction projects for that highway, which is part of the national highway system. Highways 389 and 138 link Quebec and Labrador.

However, the former transport minister did nothing. He said that no road would be built because there were no people. However, people do live there at this time and they deserve the same services and quality of life as everyone else.

We heard that it takes half an hour to get from highway 401 and 407. Consider the problem of the Lower North Shore, where they have no road. And the Liberals did nothing. We are waiting to see what the Conservatives will do.

[*English*]

Hon. Navdeep Bains: Mr. Speaker, I would like to remind the hon. member that when it comes to investments in our cities and our infrastructure, our track record is impeccable. The gas tax transfer to municipalities was an historic deal where we linked federal funding to municipalities directly to ensure they could meet their strategic investments. We had funding for transit initiatives. We had a GST rebate for municipalities. We had a strategic infrastructure funding program as well. I think the member is a bit confused or disillusioned with this concept.

The previous Liberal government over the past 13 years made sound investments into transit and infrastructure. If we were in power we would continue to do the same thing as well.

Mr. Don Bell (North Vancouver, Lib.): Mr. Speaker, as I begin my first speech in this session of Parliament, I would like to thank the voters in my riding of North Vancouver for giving me the honour of serving as their federal representative in Ottawa for a second term. It is an honour to serve in this place and the increased mandate given to me by the voters of my riding has only strengthened my desire to serve them to the best of my abilities and to ensure that their voice is heard in this Parliament.

I will be focussing my remarks today on the budget through the lens of my riding of North Vancouver, of my home province of British Columbia and, more specifically, to my role as opposition critic for Pacific Gateway.

During its brief existence, the previous government, the first to run on a made in B.C. agenda, made more significant progress on B.C. issues than any other in history. In addition to B.C. being the first province to sign on the new deal for cities and communities, we made progress on the foghorn issue, the pine beetle problem and moving the Canadian Tourism Commission to Vancouver.

The development of the Pacific Gateway strategy and support for the new Fairview container port in Prince Rupert were all aimed at helping Canada through its western gateway of British Columbia maximize future trade opportunities from the Pacific Rim, particularly the growing economies of India and China.

My point is very clear. The previous Liberal government "got" B.C. issues and voters in my province elected more Liberals in the last election than we have had since 1968. Clearly, we made significant progress.

The current government's budget was the first opportunity we as elected MPs and the Canadian public have had to view the government's detailed plans for its mandate to compare its election rhetoric to actual intentions and plans and to see numbers specifically, as an MP from B.C., to measure the government's commitment to our province's issues and concerns.

As critic for the Pacific Gateway, I was naturally eager to learn that the new government would honour its election promise to deliver at least the Liberal government's commitment of \$590 million over five years for the Pacific Gateway strategy. I was also eager to see some sign that the Conservative government understood the importance and urgency of moving ahead with the previous government's committed support to help West Coast Ports meet its potential by providing a diverse program of support measures, of port and port related infrastructure.

In short, the new government and, more specifically, the Prime Minister, has blatantly broken his promise to British Columbians, western Canadians and, in fact, all Canadians who benefit from economic trade with the Asia Pacific region, and has severely deluded and delayed funding for the Pacific Gateway. The budget committed a mere \$239 million over four years, less than half of what the Liberal government had earmarked for gateway initiatives over the same four year period.

The Budget

Before going any further, let me give some background on the Pacific Gateway strategy as it was developed by the previous government in the last Parliament. Bill C-68, an act to support development of Canada's Pacific Gateway, would have launched immediate action and long term processes to enhance Canada's competitive position, boost B.C.'s economy, generate benefits across the west and forge deeper links with the emerging Asia Pacific region.

The Liberal Pacific Gateway strategy would have put an immediate \$190 million on the table, dollars that would have begun flowing immediately this year to the following areas: \$20 million over two years allocated to the Canada Service Border Agency for secure efficient border services to increase border management capacity at key entry points for the Pacific Gateway; and \$10 million over five years for deeper links with the Asia Pacific region, specifically through standards harmonization. This initiative would have been led by the Standards Council of Canada and fostered mutually acceptable international standards, certification processes and procedures and accreditation guidelines to increase product interoperability, encourage innovation, reduce trade barriers, increase product safety and encourage environmentally sustainable activities.

The Liberal strategy would have put \$125 million in four immediate transportation and infrastructure investments, specifically up to \$90 million for the construction of the Pitt River bridge and Mary Hill interchange to replace a pair of swing bridges which are already unable to handle commercial and commuter traffic during peak periods. This investment would have improved the efficient flow of trade by reducing travel times and increasing reliability across the Pitt River.

Also, the Liberal strategy would have put up to \$30 million into a number of new road-rail, grade separations within the rail corridor extending from Mission to Matsqui to Deltaport and would have enhanced the efficiency of rail operations, improved the flow of community traffic, eliminated delays for emergency response vehicles and reduced idling of vehicles at level crossings.

● (1025)

There would have been up to \$3 million for road-rail grade separations in North Portal, Saskatchewan, a key location for the movement of goods destined for U.S. markets that originate from western Canada and the port of Vancouver and where CP's main rail line to Chicago crosses the Canada-U.S. border.

There would have been up to \$2 million for intelligent transportation systems deployment, specifically the creation of a traffic management system for the British Columbia lower mainland to monitor and share traffic conditions on the major highway networks and the transit system. This would have improved the international and interprovincial flow of goods.

In addition, the Liberal gateway strategy would have invested \$35 million over five years to establish the Pacific gateway council. Based in Vancouver, the council, consisting of a body of experts and stakeholders, would have immediately begun to make recommendations on how to invest the final portion of the \$590 million over the five year plan.

Bill C-68 was a comprehensive and effective strategy to take concrete action to prepare British Columbia for the increased trade and traffic from China, India and the Pacific Rim, not in four years, not in eight years, but now, with a comprehensive strategy in place, dollars on the table and necessary infrastructure on the ground. Might I add the previous government considered the \$590 million over five year Pacific gateway investments in Bill C-68 to be a down payment, a first step. We were committed to the gateway strategy and Bill C-68 was just the beginning.

Let us return to the budget and compare the current government's plans for the gateway, beginning first with the Prime Minister's comments during the election campaign in Prince Rupert, B.C. on December 28, in which he stated, "We will deliver at least the five year federal funding commitment of \$591 million for the Pacific gateway initiative". I will quote directly from the budget plan:

—this budget announces the Government's intention to invest a total of \$591 million over the next eight years in Canada's Pacific gateway.

So much for keeping promises. The Prime Minister said one thing to British Columbians on the campaign trail and did another once elected. Is that what they call hypocrisy, or should I say "Harper-ocrisy"?

Not only was the gateway money delayed, it was also seriously diluted, with only \$239 million flowing over four years, less than half of what the Liberal government had earmarked for gateway initiatives over the same period. In fact, where the Liberal plan would have put \$73 million on the table for 2006-07 as part of our immediate \$190 million package, the Conservative government has allocated only \$19 million for the same period. So much for standing up for B.C. and the west.

May I remind the government of the comments made by the member for Port Moody—Westwood—Port Coquitlam who, during debate in the House on Bill C-68 last October, said the following:

The Conservative Party of Canada will be supporting this Liberal half-step. We are doing so because while much more could be done for B.C., should be done for B.C., and will be done for B.C. under a new Conservative government, half a loaf of bread is better than nothing to a starving man.

Under the Conservative gateway plan contained in this budget, the starving man will now have to settle for bread crumbs.

Also, during the election the member for Vancouver Kingsway, the then Liberal minister for the Pacific gateway, issued a dire warning regarding the Conservatives:

The Budget

We've seen no evidence that they have the ability to comprehend the full, comprehensive nature of the gateway system and the affiliated policies and projects. The money itself is clearly at risk if a government were to come in whose priorities were different than ours.

The member could not have been more correct in his prediction about the Conservative government's apparent lack of understanding of western portal trade issues and their lack of commitment to the Pacific gateway. When I questioned the minister last week in the House about his government's plans to dilute and delay gateway funding, he told the House that the Conservative plan is much stronger than the Liberal gateway strategy.

I do not know what is being put in the water coolers in the government lobby, but I have to question the logic there. It is a simple question of math and the figures provided in the government's own budgets do not lie.

The new minister for the Pacific gateway, the member for Vancouver Kingsway, made reference last week to other infrastructure money, which I guess is some smoke and mirrors to make up for diluting, delaying and effectively watering down the needed funding to see the Pacific gateway strategy move ahead in a timely manner.

If the Prime Minister and his government believe in supporting the gateway initiative, why will they not commit the funds they feel will be needed to do the job in a clear and transparent way by identifying them now in the gateway funding timetable, not claim they can be covered by taking funds away from other spoken-for infrastructure budgets? If the Prime Minister thinks more money will be needed for the gateway, even if it is over a protracted eight year plan rather than a five year plan, why not put this money where their rhetoric and previous criticism is, be transparent and not resort to a shell game with the funding?

• (1030)

In conclusion, let me again express my profound disappointment with this budget as it relates to support for Pacific gateway funding. The Conservatives can dodge and spin, but my constituents and the voters of British Columbia will not forget the promises made during the election and the manner in which once in Ottawa the Conservative government has moved to dilute and delay funding for initiatives of crucial importance to British Columbia, to the west and to my riding of North Vancouver.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the Pacific gateway is probably one of the areas in which Canadians at large are not familiar with the impact on the west. The member being from B.C. certainly is aware. I wonder if he could explain to the House and Canadians what it really means to invest in the Pacific gateway in terms of job creation, economic and regional development and the Canadian economy as a whole in terms of the importance and priority for any government.

Mr. Don Bell: Mr. Speaker, what we are really talking about is accessing the economic opportunities and prosperity that can come from the Pacific Rim. For example, I will quote from a document which states:

Changing trade patterns associated with emerging markets are predicted to result in significant growth in traffic through Canada's Pacific Gateway. By 2020, container cargo through British Columbia ports is projected to increase by 300 per cent, up from 1.8 million containers to between five million and seven million containers. The

value of this trade is projected to reach \$75 billion by 2020, up from the current \$35 billion. This increase would contribute \$10.5 billion annually to the Canadian economy, including \$3.5 billion beyond British Columbia. The trade increases are also projected to result in 178 per cent growth in direct jobs by 2020, from 18,000 to 50,000.

We are seeing China emerge by 2016 as the second largest economy in the world and projected not long after that to perhaps rival the United States as the first. We have to take advantage of those opportunities for Canada. The Pacific gateway is the way to do it.

• (1035)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the Pacific gateway file has been surrounded by the whole issue of the member for Vancouver Kingsway who crossed the floor. He was the individual who left the Liberal Party and went to the Conservative Party. He purports at different times to be a champion of the gateway project itself.

It is important in terms of transparency and ethics to have the practice of floor crossing stopped. The member for Vancouver Kingsway should actually have to sit as an independent. He could vote with the government all he wants. He could be part of an independent system and decide what he wanted to do on individual issues. He could work with the government in some type of affiliation. However, to go from being a Liberal to being a Conservative in a matter of weeks is hypocrisy. It is fraud on the election system. It is reprehensible because people have been basically subverted in terms of their democratic right to choose.

It is important to ask the member for North Vancouver if he will support stopping the floor crossing that has happened in the House of Commons. The Manitoba government has done it. The reasonable expectation is that a member would either go back to the electorate and be brought back as a member of a different party or the member would sit as an independent and would vote with the government if the member chose to do so. At least the conflict of interest that there is on this file would be absent.

Mr. Don Bell: Mr. Speaker, an issue which I think is more disturbing than floor crossing immediately after an election and before a policy difference has even arisen that would cause a member to consider floor crossing is the issue that I mentioned in my presentation and that is the changing of philosophy without any reference.

The member for Vancouver Kingsway spoke so strongly during the election campaign and previously in his role as the Liberal minister responsible for the gateway. He indicated how strongly he felt about the principles of the gateway and the importance to B.C. of the funding, and the importance to all of Canada in fact. It seems to have been lost on him in his new role as part of the Conservative government.

Mrs. Nina Grewal (Fleetwood—Port Kells, CPC): Mr. Speaker, I will be dividing my time with the hon. member for Calgary Centre.

The Budget

This being my first issue based speech in the 39th Parliament, I would like to take the opportunity to thank the voters of Fleetwood—Port Kells for their unrelenting confidence and trust in me. It is an honour and a privilege to continue representing them in Parliament. On behalf of my constituents today, I rise to participate in the debate on the budget.

I would like to congratulate the finance minister for so eloquently presenting a vision of Canada that reflects the needs of every Canadian, facilitates accountability and helps us further progress into an even greater nation.

We have heard the opposition parties paradoxically rebuff this budget. Some members have argued that the government has cut too much tax, others that we have raised taxes. For some we are spending too much and for others we are not spending enough.

The members opposite cannot decide how to criticize the budget because they believe in it. They are doing nothing more than playing partisan politics. The truth is that this budget will move Canada further.

Today I would like to focus on the areas of the budget that are important to my constituents in the city of Surrey and British Columbia. The budget focuses on the priorities of Fleetwood—Port Kells, Surrey and British Columbia.

To ensure safer streets and safe communities, this budget is providing \$161 million for 1,000 more RCMP officers and federal prosecutors. This is crucial to the crime laden Lower Mainland. Gun and drug crimes, marijuana grow ops and theft are crippling our communities. In fact, Surrey has garnered the bad reputation of being the auto theft capital of North America. We have already heard the justice minister outline the government's plan to strengthen the criminal justice system and the influx of money for more police officers will aid in this effort.

Since I was first elected I have reiterated my concern over drug and gun crimes throughout the Lower Mainland. Drug dealers are manufacturing marijuana and crystal meth in increasing quantities. These drugs make their way into the hands of children and teens. This is a classic example of the need for mandatory minimum prison sentences. Criminals engaging in organized crime with such disregard for the safety of children should not have the opportunity to reoffend or continue to plague our streets. The budget will allocate desperately needed resources to help the RCMP fight a new war on drugs.

Surrey, like all communities, deserves nothing less than a zero tolerance policy toward crime with such a dangerous combination of drugs, banned weapons and violence. I am glad that the budget demonstrates the government's awareness of this fact.

Another issue of paramount importance in my riding is infrastructure. In this budget we see that British Columbia is finally receiving the respect it deserves. We are ensuring that British Columbia receives its fair share of transportation and infrastructure dollars, especially for critical programs such as the Pacific gateway.

Surrey is one of the fastest growing communities in all of Canada. The residents should not spend endless hours stuck in traffic. My constituents have told me what they want and what we must do. We

need to twin the Port Mann Bridge. We need to build the South Fraser Perimeter Road. We must fix the 152nd Street exit.

By accomplishing these goals, Canadians will benefit, British Columbia will benefit and my constituents especially will benefit. To this extent, I am proud to reassure my constituents that this budget provides \$591 million over the next eight years in the Pacific gateway initiative for improving our infrastructure.

We are also providing \$2.4 billion over five years for a new highways and border infrastructure fund for improvements to the core national highway system. British Columbians, especially on the issue of infrastructure, were let down by the previous government on so many occasions with empty and broken promises.

● (1040)

The era of broken promises is finally over. The budget proves that we are moving in the right direction when it comes to accountability and fiscal responsibility. It puts more money into the hands of individuals and families. It strengthens our communities, our provinces and our nation.

The budget, more than any in recent history, focuses especially on the importance and the needs of new Canadians. In my riding of Fleetwood—Port Kells, one-third of the population are immigrants, and the entire Lower Mainland and the greater Vancouver area are witnessing an increasing flow of new Canadians every year. In our multiculturalism reality of Canada, immigrants can come to this nation and contribute while simultaneously being proud Canadians.

I would like to point out how portions of the budget are geared toward the needs of newcomers to Canada.

Like all Canadians, newcomers do not want their progress in Canada hindered by rising taxes. Under the previous government, Canadians watched their tax dollars wasted away, mismanaged and permeated corruption. The budget addresses the overtaxation of Canadians by delivering \$20 billion in tax relief over two years. That is more tax relief than the last four budgets combined.

For the first time in more than a decade, the government has finally removed its hand from the pockets of hard-working Canadians. Instead, our budget is returning more money than ever back to Canadians. Newcomers, who have come to Canada with hopes and dreams, no longer have to worry about their tax dollars funding corruption and waste. As a result of these measures, British Columbians, as a whole, will pay \$1.2 billion less in taxes in 2007 alone.

Immigrants come to Canada because of the opportunity for a better life for themselves and their families. In recognizing the needs of immigrants, our government has immediately reduced the right of permanent resident fee by 50%, from \$975 to \$490. For those who have already prepaid the \$975, we will provide a partial refund so no new Canadians feels left out of this important initiative.

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We are increasing immigration settlement funding by \$307 million over the next two years and we will establish a Canadian agency for the assessment and recognition of foreign credentials. We will ensure that well-educated and highly skilled new Canadians will finally receive recognition for their qualifications and experience.

These measures, coupled with a recent announcement of a full judicial inquiry into the Air-India bombing, have finally addressed some of the enduring questions my constituents have had for more than a decade.

Clearly, our government will do more to help these new Canadians get started. With the budget, Canada's new government is delivering on our campaign promises to every Canadian, including the new Canadians who were forgotten by the Liberals.

Canadians voted for change and voted for many of the programs and initiatives in the budget. I urge the members opposite to remember this fact when they vote on the budget.

• (1045)

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, I congratulate the member on her speech, but I do detect two problems with it.

First, I, too, represent a riding with many new Canadians, and I totally agree with the idea that one should focus on them. The problem is the budget fails in the moral imperative to reunite families expeditiously. There is nothing more important to a new Canadian than to be reunited as quickly as possible with his or her parents or grandparents who might be 63 years old, and the time it takes keeps going up. It is a moral imperative that this time be reasonable.

Our government had put \$700 million into putting in the resources to reduce those waiting times. The Conservative government has simply removed the \$700 million. It is absolutely inevitable, therefore, that those waiting times will continue to rise. It has failed in a fundamental moral imperative toward new Canadians, and new Canadians will not forget that.

Second, there is nothing there for competition with India and China. Brain power is essential. Why would the government cut R and D support from our \$2.5 billion to its paltry \$200 million? The government seems to think the world owes Canada a living. I regret to inform the hon. member that this is not the case.

Mrs. Nina Grewal: Mr. Speaker, we are a country that was built by immigrants. Our ancestors left their homes and their families and struggled to find a better life in Canada. Our government will do more to help these new Canadians settle down and get started.

Effective immediately, the right of permanent residence fee is reduced by 50%, from \$975 to \$490. We are increasing settlement funding by almost \$307 million. We are taking action to establish a Canadian agency for the assessment of foreign credentials.

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with interest to my colleague's defence of the budget, but we well know from the Mike Harris years in Ontario and the years of Liberal neglect that a tax cut never hired a single nurse or fixed a single road in our country.

What we will remember from the budget is that the Conservative government walked away on the international Kyoto treaty. For 13

years, greenhouse gases rose under the Liberal government and we heard poppycock about voluntary emissions standards with industry polluters, which is like voluntary drinking and driving standards. Now the government has given us a made in a Calgary boardroom solution. There is no plan or vision. There are no commitments to meet any kind of targets whatsoever.

Would the hon. member explain this vision for the rest of Canadians, who are scratching their heads wondering exactly what is going to happen in terms of the government's commitments to greenhouse gases? We have seen no money, no commitment, and no plan.

Mrs. Nina Grewal: Mr. Speaker, the budget is balanced and our spending is focused. Taxes will go down for all Canadians.

Ottawa has been overtaxing Canadians for a long time. We are delivering real change for Canadians. We are delivering \$20 billion in tax relief over the next two years. This is more tax relief than the last four federal budgets combined. For every \$1 spent, Canada's new government will deliver \$2 in tax relief.

This is a tax cut for which Canadians voted. This is a tax cut that Canadians want. This is a tax cut that Canada's new government is delivering.

• (1050)

[*Translation*]

Mr. Gérard Asselin (Manicouagan, BQ): Mr. Speaker, there are a number of irritants in the budget. It must be recognized that the economy of a number of regions in Quebec is based on tourism.

In my opinion, the Conservative Party missed the opportunity to eliminate the excise tax on gasoline. Gasoline prices for July are forecast to be \$1.50 a litre. That will reduce tourist traffic in many Quebec regions.

This is the appropriate time for the Conservative Party to eliminate this tax, which the Liberals had applied. It will be remembered that Joe Clark's government fell because he wanted to impose a tax on gasoline. Mr. Trudeau incorporated it into an escalating tax. However, when the Conservatives took office, they never thought to reduce the cost of a litre of gasoline by a few cents or at least to eliminate the excise tax on gasoline. This would have helped tourist traffic, and many regions in Quebec and Canada would have benefited.

Could the member put this problem to her caucus and ask the Conservatives to abolish the excise tax on gasoline and give a boost to the tourism industry in the regions?

The Budget

[English]

Mrs. Nina Grewal: Mr. Speaker, in our budget we are focusing on priorities that are important to hard-working Canadians. Over the next four years, we will invest a total of about \$16.5 billion in new infrastructure initiatives. The budget will provide \$591 million over the next eight years to the Pacific gateway project.

Mr. Lee Richardson (Calgary Centre, CPC): Mr. Speaker, it is a particular pleasure to rise in the House today to speak to the budget. It has been a long time since we have had the opportunity in the House to speak to a budget that addresses the concerns of all Canadians, a budget that does what this party made a commitment to do during our election campaign.

It is a budget that reduces income taxes, reduces the GST, reduces small business taxes and reduces corporate taxes. Ninety per cent of the reductions go to individuals and families in Canada, almost \$20 billion over the next two years. That is more tax relief than the last four federal budgets combined.

For every dollar in new spending, Canada's new government delivers \$2 in tax relief. Taxes will be reduced in every area where the federal government collects revenue such as the GST, income taxes and business taxes, including targeted measures to help Canadians with the cost of transit passes, tools, textbooks and kids' sports. I will speak more on that in a moment.

For the people where I live, as a result of these tax measures, Albertans will pay \$1 billion less in taxes in 2007. Families earning between \$15,000 and \$30,000 per year will be better off by almost \$300 in 2007. Those earning between \$45,000 and \$60,000 will save almost \$650, and 655,000 low income Canadians will be removed from the federal tax rolls altogether.

With the Canada employment credit and the increase in the basic personal exemption, people will be able to earn almost \$10,000 in 2007 without having to pay any federal income tax at all.

As promised, the budget reduces the GST from 7% to 6%, effective July 1. This is a tax cut for which Canadians voted. This is a tax cut Canadians want. This is a tax cut that Canada's new government will deliver. A reduction to the GST will benefit all Canadians, including low income Canadians. It also will make Canadian products more attractive to consumers and it will strengthen the economy.

Effective July 1, the budget creates the brand new \$1,000 Canada employment credit. This new tax gives Canadians a break on what it costs to work, recognizing expenses for such things as home computers, uniforms and supplies.

On personal income taxes, effective July 1, the lowest personal income tax rate will be permanently reduced from 16% to 15.5%. The amount that all Canadians can earn without paying federal tax will be increased each and every year for 2005, 2006 and 2007.

Those who operate small businesses in Calgary have told me how welcome the new tax cuts are, allowing them to hire more people at higher wages, to better compete and to retain employees in our booming economy. Effective January 1, 2007, the threshold for small business income eligible for reduced federal tax rate will be increased from \$300,000 to \$400,000.

The excise tax on jewellery will be replaced effective immediately, allowing Canadian businesses to compete on a level playing field.

Our larger employers will also benefit. Effective January 1, 2008, the general corporate tax rate will be reduced to 20.5% as part of our commitment to reduce this tax to 19% by 2010. Effective January 1, 2008, the corporate tax will be eliminated also. The federal capital tax is also eliminated on January 1 of this year, two years earlier than was originally scheduled.

As has been noted, the budget includes significant assistance for families and communities. For apprentices, the budget creates a new apprentice job creation tax credit of \$2,000. For students, we are creating a textbook tax credit that will benefit approximately 1.9 million Canadian students at a cost of \$260 million over the next two years.

There is just so much in the budget of which all Canadians should be aware. I hope they will perhaps go to the government website to look at these initiatives and the wonderful benefits for them. It is a budget that we promised during the election campaign. We made commitments and we are delivering.

● (1055)

For young families the budget provides a physical fitness tax credit of \$500 to cover registration fees for children's sports and seniors have not been forgotten either. To provide increased support to Canadian seniors, the budget doubles the amount of eligible pension income that can be claimed as a pension income credit from \$1,000 to \$2,000 starting in the 2006 tax year, the first increase in more than 30 years.

I have so much more, but I see the time is fleeting. Our government's approach to spending is based on three principles: first, government programs should focus on results and value for money; second, government programs must be consistent with federal responsibilities; and third, government programs that no longer serve the purpose for which they were created should be eliminated.

In conclusion, I would like to note that the budget has the support of Canadians, particularly in my own province of Alberta. A poll done this last weekend showed that 67% of us support the budget. When we look at these details and more, across the board tax credits, focused spending on the priorities of Canadians and a commitment to debt reduction, it is no wonder why.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I would like to preface my question by reading the headline in the editorial that appeared in the *Globe and Mail* the day after the budget, "How to complicate the nation's tax system". The editorial stated:

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So it's a pity the Conservatives have further burdened the tax form with the new math of political necessity. This week's federal budget is a hodgepodge of new credits, something for everyone but the family dog.

There is a great discrepancy, a great disconnect between what is in the budget, the approach that the budget takes, and the rhetoric of the hon. member and his colleagues on the other side of the House.

The hon. member and his colleague speak of freedom of choice. In fact, if we want to guarantee the greatest freedom of choice for Canadian taxpayers, we would cut their income taxes and they could decide if they wanted to save the money. They could decide if they wanted to spend the money. They could decide if they wanted to buy books for their children or for themselves. They could decide if they wanted to register their children for soccer or piano lessons.

Does the hon. member not agree that what the government has done, by creating 28 or 29 different tax reductions, infinitesimally small in many cases, is adopted what some commentators have called a social engineering approach to budget making?

• (1100)

Mr. Lee Richardson: Mr. Speaker, I am amused that the members opposite are complaining about tax reductions. There are 29 specific tax reductions in the budget. I know the budget is different. I know it is hard for the party opposite to accept that a party could actually run for office, make definite commitments to Canadians and, lo and behold, bring in a budget to keep those commitments to Canadians. These are not promises. These are commitments that we made to the people of Canada which we are keeping in the budget. I hope the Liberal side of the House will support it.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, there is a cost of cutting taxes and in regard to the budget, there were some cuts. One was to totally abandon the Kelowna accord, which basically said no to aboriginal Canadians in terms of giving them a quality of life and respect.

It said no to climate change which has basically resulted in the cancellation of virtually every climate change initiative that the Government of Canada had implemented.

It said no to low income seniors. The child allowance, the \$1,200, is taxable, but at the same time, as the government is giving the \$1,200 allowance, it is cancelling the young child supplement of \$249. Indeed, as a consequence of that, there is another clawback as well as the increase in the tax rate on the first level of taxation.

Low income Canadians will actually have to return to the government in terms of taxes or reduced benefits otherwise payable to the extent that a family making only \$20,000 would get less than \$200 of the \$1,200, whereas a single earner family earning over \$200,000, would in fact get \$1,100 back.

The figures are there in the Caledon Institute report. Low income earners will be worse off than high income earners. Why is it that the member thinks it is important that we take care of high income earners before those in most need in Canada?

Mr. Lee Richardson: Mr. Speaker, we have heard this rhetoric before. I must remind the hon. member that it is quite clear that all Canadians will benefit from lower taxes in this budget. Every Canadian right across the board, whatever income level, will have lower taxes starting this year and continuing on increasingly in 2007

and 2008. That is simply the difference between this government and the previous government.

The hon. member mentioned promises like the Kelowna accord and what they were going to do on Kyoto and for the environment. They were all promises but nothing was delivered in 13 years. This government, in this budget, has done more in 13 weeks than the previous government did in 13 years.

We are delivering on commitments that we made. They were not just false promises that were away down the road. We call it the hockey stick approach to promises down the road for more money. This budget delivers to Canadians. It delivers on commitments that the Conservative Party made during the election campaign and we are very proud of it.

[*Translation*]

Mrs. Carole Freeman (Châteauguay—Saint-Constant, BQ): Mr. Speaker, I will be sharing my time with the member for Chicoutimi—Le Fjord.

It is my pleasure to take part today in the debate on the budget currently before the House. Many things have been said since the Minister of Finance read his budget on May 2. There have been many comments by analysts, and reaction has been strong. It is, however, important to take a more detailed look at the full impact of this budget in order to discover its real meaning and scope for the public.

Basically, it must be admitted that this budget is a transitional budget, nothing more, nothing less. The result of the most recent general election reflects the public's desire not to give the Conservatives a blank cheque. Indeed, the government's minority position in the House indicates clearly that nearly two-thirds of the population did not support the right-leaning policies of the Conservative Party.

Fortunately, in Quebec, the people had an alternative to which they have turned in the last five elections to make their voices heard and to defend their interests. That is particularly the case in my riding, Châteauguay—Saint-Constant, which I have the signal honour of representing in this House. For since the 1993 election and in every subsequent vote, the Bloc Québécois has proven to be the political vehicle of choice for a constant majority of the population of Châteauguay—Saint-Constant. This is a clear demonstration of the deep confidence that my fellow citizens have in the Bloc Québécois and in its leader to faithfully represent their interests in Ottawa.

The first budget of the Conservative minority government marks a transition between the extremely centralizing Liberal regime, sapped by scandal and corruption, and the pursuit of a neo-conservative ideology, developed and tested south of the border. I cannot insist too much on the transitional nature of this budget for, beyond the good news for middle-class taxpayers, we must keep a cool head and remember that the Conservatives have embarked upon a broad and far-reaching campaign to seduce the electorate, and are prepared to do anything to win a majority of seats in the House.

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For us in the Bloc Québécois, it is precisely this that makes our attention and our vigilance more essential than ever. To the image-mongering and extravagantly populist discourse of the Conservative Party we will oppose rigorous analysis, a trademark of the Bloc Québécois. As our leader never tires of saying, we will examine each of the issues that comes before us on a case-by-case basis. There is no question of signing the government a blank cheque; rather we will support it where support is deserved. If a measure that is proposed is beneficial to Quebec, we will support it. And conversely, we will never hesitate to vote against the government if we perceive real detriment to the interests of Quebec.

Let there be no illusions. In no way has the Bloc Québécois changed its mission. With this change of government, we are still sovereignists and we believe more strongly than ever that the modern Quebec will find its true fulfilment with its full and complete sovereignty, as a nation in fact and in law.

To come back to the budget, for us, the key aspect of the Minister of Finance's exercise last week is recognition of the infamous fiscal imbalance. The Bloc Québécois was the first party to draw attention to this reality and to defend Quebec's interests by hounding the previous government to recognize the imbalance. In the process, we brought the other opposition parties onside, including the current government. This political process and this example of influence and persuasion demonstrate the Bloc's relevance and its key role in the development of Quebec.

Honestly and objectively, anyone who has made a careful study of the federal political scene in recent years will clearly see the Bloc's influence in a series of measures in the latest budget. This accomplishment is as significant as our long and painful battle for recognition of the fiscal imbalance. The proof lies in the major gains achieved for the population thanks to the Bloc's insistence and deep convictions. For years, my colleagues waged battles in this House for more funding for the social programs Quebeckers hold so dear.

Despite the federal government's brutal cuts to transfer payments, Quebec still managed to avoid the complete erosion of our social safety net. We should be proud of this, because it is a telling example of Quebeckers' solidarity and our tenacity in the face of the major challenges that have arisen in the past and are sure to arise in the future.

●(1105)

Among the files of the hour specifically affecting my riding of Châteauguay—Saint-Constant, undoubtedly the sensitive subject of social housing heads the list of our concerns.

The government can pat itself on the back for the injection of some \$800 million for the funding of affordable housing. Nevertheless, as we all know, if it had not been for the Bloc Québécois, the Conservative Party would never have become aware of how uncertain access to housing is.

From 1993 to 2001, the Liberal government withdrew completely from the funding of new social housing. During all those years, the Bloc never gave up the struggle and called for investment to be restored to the ambitious but achievable objective of close to \$2 billion a year.

In the riding of Châteauguay—Saint-Constant, no less than 22% of the population lives in rental housing. Also, we have at least some 4,500 single-parent families in the riding. That makes the matter of funding social housing all the more important, if we take into account the often difficult economic situation that some of these families have to cope with.

So, although the \$800 million allocated to social housing is a big step, the Bloc Québécois will not give up and will continue to demand that the undistributed profits of the Canada Mortgage and Housing Corporation be reinvested, instead of being capitalized as the previous government got in the habit of doing.

If the trend continues, the surpluses accumulated by the Canada Mortgage and Housing Corporation in 2008 will reach some \$7 billion. This is a huge sum, which is not justified in the current context.

Similarly, credit is due to the Bloc Québécois for its insistence and the rigour of its budget analyses, which resulted in the injection of billions of dollars in funding for post-secondary education. For years now, particularly during the recent election campaigns, that is, in 2000, 2004 and 2006, the Bloc Québécois asked the federal government to use its financial leeway to gradually increase transfers for college and university education.

This announcement is all the more important since about three-quarters of the population of Châteauguay—Saint-Constant have completed post-secondary studies. Since the past is often an indication of the future, it is a safe bet that our children will thus be able to afford to pursue quality studies.

It is therefore important to note another important gain made by the Bloc, concerning tax exemptions for scholarships and bursaries. We have to realize that the federal government has taxed the scholarships and bursaries received by students for a long time. As paradoxical and absurd as that may seem, for years the federal government has collected income tax on scholarships and bursaries paid to students by the Government of Quebec, a funding area from which it nonetheless withdrew, the better to pay off its recurring deficits.

Not only did the government in Ottawa build up a phenomenal fiscal capacity for itself today by ending the transfer payments that defined the federal scheme, but then it also turned its gaze on things that never belonged to it.

The major items highlighted earlier show the important progress made by the Bloc since the Conservatives came to power. While this is an impressive track record, we have to keep in mind that the race has not yet been won.

I have said it before and I say it again, this budget is a transitional budget, the stated aim of which is to get the Conservatives a majority in the next general election. Then, with a little more elbow room, the right will finally be able to implement its real ideas to the letter. That unknown future is precisely where my greatest fear lies.

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At the top of my list of concerns is the complete absence of any measures to improve employment insurance. It must be noted that the employment insurance fund is overflowing with the billions of dollars in surpluses that were amassed during the years of Liberal rule. And yet as recently as the day before the budget speech the Prime Minister was supporting the Bloc's position on paying out those surpluses for the benefit of the unemployed and the people who have paid into it.

I would also draw your attention to the fact that the Minister of Finance has failed to take into consideration the often hard economic reality of older people. He has had nothing to say about this issue, crucial as it is for thousands of our fellow citizens. Thousands of older people have been cheated over the years by the federal government, which is still refusing to make payments to the people in question fully and completely retroactive.

Nor has any provision been made to assist older workers, whose job prospects are rather dim.

The Conservatives have let older people down and they will be jeopardizing environmental protection for generations to come. At a time when political action is based on sustainable development, the Conservative government is trying to reshuffle the deck by introducing the profit variable.

• (1110)

Profits, of course, for the shareholders of the big oil companies that have seen record profits for years and whose influence, spreading out from Calgary, is grounds for concern.

Time flies. I could go on about the irritants in this budget, but I will yield the floor to other speakers.

[*English*]

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, first of all I would like to congratulate the member on giving a great speech, from which it was quite evident that she has quite a few families in her riding who are earning under \$36,000. How is the member going to defend the values and rights of those families when the government has brought in a tax increase in only one category, that is, the lowest income families? They will be taxed more than anyone else.

• (1115)

[*Translation*]

Mrs. Carole Freeman: Mr. Speaker, I wish to thank my colleague for his question.

It is true that it is very important to stand up for low-income families. If there are so many low-income families in the riding of Châteauguay—Saint-Constant, perhaps the reason is the fiscal imbalance, which has been around forever. If moneys were truly transferred equitably, there would be a better quality of life.

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I listened with great interest to the hon. member's speech, but I am still somewhat confused, and I have been confused in terms of listening to the Bloc during my two terms in this place. My hon. colleague from Windsor West referred the other day to the Bloc as a dog with no legs: it barks, but it does not go anywhere.

During the last session in Parliament we worked very hard to negotiate changes to the Liberal budget. These changes included \$1.6 billion for public housing, \$1.5 billion for universities, \$800 million for public transit and money for public infrastructure. We were denounced by that party for failing the people of Canada.

An. hon. member: They called us traitors.

Mr. Charlie Angus: Yes, Mr. Speaker, they called us traitors, yet a very rightist government brings in this very rightist budget and their party rolls over immediately. Then those members stand up and say they are concerned about rightist policies coming forward, when this budget has destroyed Kyoto, when this budget will destroy any plans for child care, and when it is giving complete tax breaks to corporations.

I have a question for the hon. member. Her party had an opportunity to make changes to EI. It could have done that. It could have negotiated its support, but it did nothing. Those members simply stood up and said they support this budget. Perhaps they are supporting it because the Conservatives are at 34% in Quebec right now. Why did the hon. member's party not even try to negotiate anything to change this or to bring about more progressive policies instead of just getting into bed with a rightist government?

[*Translation*]

Mrs. Carole Freeman: Mr. Speaker, I thank my distinguished colleague for his question and comments.

The Bloc Québécois decided to support the budget because it felt it was a transition budget, as I mentioned in my presentation.

That means that we are not giving the Conservative party a blank cheque and that we are not supporting absolutely everything it proposes. Several recommendations regarding this budget are points raised by the Bloc Québécois. We will see whether or not the Conservative Party, as it has stated, will resolve the fiscal imbalance—a very important issue—within a year.

The Bloc Québécois is not giving the Conservative Party a blank cheque. Quite the opposite, as I stated in my speech. If some of the provisions did not meet with our expectations, we would not hesitate to oppose them. If necessary, the Bloc Québécois may go so far as to topple the government.

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I congratulate my colleague for Châteauguay—Saint-Constant on her speech.

I would like this colleague to explain her vision for future Quebec generations, who will have to manage the new challenges of globalization of markets, technology and know-how.

What future path does the Bloc Québécois propose for my government and my children?

Mrs. Carole Freeman: Mr. Speaker, I thank my colleague for his question and his comments.

The Budget

The only way for us to meet all of those expectations is to achieve Quebec's sovereignty. Quebec must have full control in all areas, economic, cultural and the rest. That is really the only way to do it. That is our vision of things. That is the only way for us, the people of Quebec, to move forward.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, before I begin, I would like to congratulate the member for Châteauguay—Saint-Constant on the speech she just gave about the Bloc's position on the budget.

I would like to emphasize something to my Conservative colleagues. For the past several days, we've been hearing a number of them rejoice in the Bloc Québécois' support for the budget. However, I want to make it clear that it was the Bloc Québécois that brought the issue of the fiscal imbalance to Ottawa, here, to the House of Commons. Moreover, without the Bloc Québécois, it is unlikely that any deadline would have been set for resolving the fiscal imbalance.

The Bloc Québécois has always been honest with the citizens of Quebec. The fiscal imbalance was one of our key issues before and during the election campaign. Now that we have a specific commitment and a deadline, the Bloc Québécois can see for the first time that finally, a government in power in Ottawa, in the House of Commons, recognizes the fiscal imbalance.

The government's firm commitment to address the issue and eliminate the fiscal imbalance is a major step forward for Quebec. That is why the Bloc Québécois will support this budget when it is put to a vote in the House of Commons.

This is a transitional budget, which deserves our support and over which this minority government should not be brought down. The government will have its real test when its next budget is tabled, which is to say the budget for the 2007-08 fiscal year.

Even though there are many irritants in this budget, the main consideration is the government's openness and commitment to settling the question of the fiscal imbalance, which has been penalizing Quebecers for too long.

The Bloc Québécois sees that, in addition to the fiscal imbalance, the budget reflects a number of the demands or measures advocated and discussed by the Bloc Québécois here in the House of Commons. We can point to the assistance for post-secondary education, affordable housing and farmers. As well, we are pleased with the review of the Canadian farm income stabilization program, the additional funding for infrastructure and public transit, tax-free student awards, the tax improvements for micro-breweries, the tax credits for public transit users—something that the Bloc Québécois has requested on several occasions here in the House—the elimination of the excise tax on jewellery, and the tax credits for tools.

On the other hand, there are a number of annoying features in the budget that we should look at. There is employment insurance, which was completely ignored by the Conservative government. This budget provides absolutely nothing to help the people wrestling with the consequences of the cuts to employment insurance, which were made over the course of 12 years by the Liberal government that preceded this minority government. Nor does it address the

seasonal workers who are only too familiar with the gap between the end of their benefits and the beginning of their next season of work. This problem has not been fixed, and the budget is silent about it.

In my region of Saguenay—Lac-Saint-Jean, many workers are penalized by the current employment insurance system. Despite the huge accumulated surpluses, this government has done nothing. It is continuing down the same path as the Liberal Party, which is to say it is further increasing these accumulated surpluses, these astronomical amounts paid by the unemployed.

I come from a riding, Chicoutimi—Le Fjord, that is located in the Saguenay—Lac-Saint-Jean region. Some parts of this budget leave a very bitter taste in my mouth, especially the Conservative government's lack of a firm commitment to a program to help workers, a new POWA, which is to say a program to sustain the incomes of older workers when they lose their jobs in massive layoffs.

• (1120)

If this government had taken immediate action instead of conducting a feasibility study, workers in my riding laid off following the Port-Alfred plant closing in La Baie could have benefited from a worker's assistance program. The Abitibi Consolidated plant closed and workers with several years of service under their belts were suddenly unemployed.

There are currently some retraining and reintegration programs, but they do not really work and there are problems. These programs do not apply to the majority of the workers. Most of the workers over 55 are not eligible for the retraining programs or the work force reintegration measures. I will explain why.

In a region, a village or a small town where there is very little economic diversity, workers cannot be hired by more than one employer since there are not enough businesses. Furthermore, some employers do not hire these workers because they have only five or six years left before they retire. Instead, these employers invest in younger employees who will stay for many years.

There are other irritants I want to talk about. Take for example the \$1,200 per child allowance. We had submitted a much fairer proposal, but the Conservative government did not use it. The assistance being given to parents is still taxable and that is unfair to families in need. If this government had a bit of humility, this problem could have been resolved quite easily and we could have truly helped families in need.

The Conservative government has nothing in its budget for implementing the Kyoto protocol, which is essential for reducing greenhouse gas emissions.

The same goes for arts and culture. The amount allocated is an additional \$50 million for two years. I had the opportunity to do a pre-budget tour from Vancouver to Montreal, excluding Toronto, where I encountered arts and culture movements that were calling for more money. The Conservative government did not answer these calls in its budget.

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I will talk about one last point regarding the Canadian securities commission.

Before and during the election, the Conservative government spoke of respect for jurisdictions. It said it would respect the areas of jurisdiction of Quebec and the provinces. Now that it is in office and it is time to act, what does it propose? It proposes to meddle in the jurisdictions of Quebec and the provinces.

In my books that amounts to saying one thing and doing the opposite. It is inconsistent and unacceptable.

In conclusion, I will summarize briefly by saying that a number of aspects of the Conservative budget leave me perplexed; the \$1,200 taxable allowance; the dropping of the Kyoto protocol in favour of a Canadian program yet to come; the fact that there is no mention of the humungous surpluses amassed by the Canada Mortgage and Housing Corporation; the fact that there was nothing on employment insurance; the establishment of a feasibility study on an income support program for older workers.

However, we will have to wait and see. The Conservative government has promised to resolve the fiscal imbalance by next spring, and that is significant progress. On this point, we can give it a good grade for bringing solutions to the fiscal imbalance.

The Conservatives must know that, had it not been for their official and definite commitment to resolve the fiscal imbalance within a specific time frame, we would have rejected the budget.

• (1125)

In terms of action, a first ministers' conference will be organized to discuss the problem of the fiscal imbalance.

We therefore support this budget, even though it contains a number of irritants. I hope the differences will be debated here in the House or in committee so the Bloc positions may be made known and so the people in my riding, my region and in Quebec can see that the Bloc Québécois truly defends the interests of Quebeckers.

I would just like to say a few words to Quebeckers to let them know they can count on the Bloc to look after their interests.

• (1130)

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, it seems strange that the Bloc would support a budget that goes against everything it believes in. This budget offers nothing but cuts for the poor, aboriginals and low-income women with children. It offers nothing but cuts for the environment and nothing at all for the fiscal imbalance.

These days, the Minister of Finance is talking about fiscal balance, which implies that there is no problem. The budget actually took money away from the provinces, which is the opposite of what the Bloc wants. Moreover, there is no money to correct the fiscal imbalance—all of the experts are telling us that the government has spent all it has. Therefore, there will be nothing to correct the fiscal imbalance over the next few years.

The question is, why is the Bloc voting for it? There is only one possible answer. Even though the budget goes against everything they believe in, they are afraid they will lose their seats in Quebec if there is an election, as shown in yesterday's CROP poll.

[English]

Despite the fact that the budget goes squarely against everything in which the Bloc believes, like a defanged pussycat it follows meekly in support of a budget that goes against the fiscal imbalance and everything else that party stands for. The simple reason is that the Bloc knows if there is an election it will lose seats in Quebec.

[Translation]

Mr. Robert Bouchard: Mr. Speaker, I explained why we support the Conservative budget. Clearly, it includes a measure to correct the problem of the fiscal imbalance, and the Conservative government has made a commitment to do this. That is why we support this budget.

Let us remember that the Liberals, who sat opposite us before this minority government, never recognized the fiscal imbalance. They were not even able to say the words "fiscal imbalance". To them, it did not exist, not even in their minds. It was impossible. It was something the Bloc Québécois had imagined and introduced here in this House.

For the first time, we have a government that recognizes the fiscal imbalance. At the very least, it wants to try to correct this imbalance.

I can assure the people that we will closely monitor and watch this government. For us, the true test will be the next budget. Then we will see what changes have been made and what actions have been taken in the course of this fiscal year. When the next budget is tabled, we will really be able to see what this government is made of.

In my speech, I also referred to several irritants, including the securities commission the government wants to introduce. I mentioned that when it was in opposition, this government argued in favour of respecting the jurisdictions of the provinces and Quebec. Now, it wants to impose something different. It wants to interfere in Quebec's jurisdictions by setting up a Canadian securities commission.

• (1135)

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I congratulate my colleague on his speech.

How would the Bloc Québécois propose to aid development and regional economic diversity in order to help workers over 55 re-enter the labour market?

An hon. member: There is \$45 billion in the employment insurance fund.

Mr. Robert Bouchard (Chicoutimi—Le Fjord, BQ): Mr. Speaker, when the Conservatives were on this side of the House, they, along with the Bloc Québécois, advocated a new POWA, an income support program for older workers.

In fact, surpluses from the employment insurance fund would provide the budget to create such a program. This program existed until 1997, until the Liberals cancelled it. Since the Conservatives supported the program when they were in opposition, I do not see why they would not subscribe to such a program now that they are in power.

The Budget

Studies being conducted means that no action is being taken. Feasibility studies give nothing to workers, nothing at all. What we need is action. We need a real program for workers.

A factory closed in my riding and 640 people lost their jobs. Those workers could have benefited from a program such as a new POWA.

[English]

Hon. Greg Thompson (Minister of Veterans Affairs, CPC): Mr. Speaker, I will be splitting my time with the member for Barrie.

This is the first opportunity I have had to stand in the House with you in the chair, Mr. Speaker, and I congratulate you on your appointment as Deputy Speaker. You have had a long history in this place, dating back to 1979, and you have the respect of the House. Your seniority in this place is well recognized. It is nice to see you in the position.

This budget is a good budget. I have to reference it by going back to the Liberals of the past. After almost 13 years of missed opportunities and empty promises from Liberal prime ministers, Canadians can finally claim to have a federal government that not only reflects their priorities but respects their voice. This is a balanced budget, a Conservative budget, and it is about restoring the faith of voters who had started to grow cynical about politics and politicians. It is a refreshing change.

The budget is also about keeping election promises, a practice that some Canadians sadly were beginning to think had gone the way of the Edsel and the eight track cassette, both of which you can remember, Mr. Speaker, although perhaps I am getting off to a bad start with you by saying that.

Our budget provides about \$20 billion in personal income tax relief to Canadians, more than the last four Liberal budgets combined.

We are reducing the GST from 7% to 6% and eventually to 5%.

On top of that, there is tax relief for seniors, students, working Canadians, commuters, apprentices, and parents with active children. With that last, of course, I am referring to the tax credit that parents will get when they enroll their children in sports activities. A healthy nation is important.

The budget is balanced and still pays down the national debt. More important, for every dollar of new spending in the budget, we have \$2 in tax relief.

We have \$3.7 billion for real choice in child care. That translates into \$1,200 a year going to parents for every child under the age of six. This is sort of about the Liberal plan versus the Conservative plan, but of course the Liberals never had a plan. They were in office for 13 years, promised it through successive elections and never delivered. On top of that, they never built one child care space. That is their sad record.

We are also investing in safer streets and communities. The Minister of Justice and the Minister of Public Safety made some of those announcements last week. All of it will be coming to the floor of the House of Commons for debate.

There is new money for reducing health care wait times.

There is \$16.5 billion for infrastructure.

There is \$5.3 billion for defence over five years, including the recruiting of 23,000 regular and reserve forces members.

There is \$2 billion more for farmers over two years.

As well, Mr. Speaker, and being a westerner you would know this, there is an additional \$500 million for farm support, a one time investment of \$1 billion for disaster relief, and accelerated use of the \$755 million under the grains and oilseeds payment program, which was one of the first things we announced.

As Minister of Veterans Affairs, I am also pleased to announce that we have \$352 million more for veterans in the main estimates. One of the arguments we sometimes hear in this place is that we cannot put everything into the budget announcement, but we have that \$352 million for our veterans. Obviously, a lot of that is going to the implementation of the new charter, which every member in the House supported and continues to support.

• (1140)

As we well know, we get elected in our hometowns and our home constituencies, so I think it is important that I mention how this impacts on the province of New Brunswick. New Brunswickers, under our plan, will pay \$183 million less in taxes next year. Families in New Brunswick earning between \$45,000 and \$60,000 a year will be better off by about \$650 a family under our plan.

The universal child care benefit will provide New Brunswick parents with \$50.9 million next year. Under the Liberals' plan, the one they never did actually enact, for New Brunswick their agreement would have resulted in \$110 million for New Brunswick over five years, so that means approximately \$5 million and some change a year versus our \$50.9 million next year alone.

There is \$16.5 billion for infrastructure, as I mentioned, with \$13.9 million this year alone in federal gas revenues for New Brunswick municipalities.

There is \$23 million to modernize New Brunswick's post-secondary institutions.

We have \$9.4 million available immediately to improve the province's transit systems.

There is \$18.4 million for affordable housing.

All this money spread over a province of only 700,000 people is significant.

There is an extra \$18.7 million in new equalization payments for New Brunswick. We are committed to solving the fiscal imbalance, which the former government could not do. The present government is committed to this. We are going to do it.

As well, there is \$4 million to be put toward reducing health care wait times in New Brunswick.

The Budget

Also, I want to remind the House and New Brunswickers of some of the announcements that we have had in New Brunswick over the last number of weeks.

The Prime Minister was in New Brunswick on March 24. I was with him as we travelled around the province. He announced the following: \$200 million for highways; \$6 million for a new stadium in Moncton to host the world junior track and field championships; and \$2.8 million for the Saint John Harbour cleanup.

This last is one where we have had a bit of controversy in the province of New Brunswick, because this is obviously \$2.8 million more than what the Liberals ever provided for harbour cleanup in Saint John, New Brunswick. Their argument is that it is not enough. We agree, so we have made a commitment that we are going to work with the city of Saint John and the province of New Brunswick to see a completion of this project over the next number of years.

We are not going to be as the Liberals were in terms of making announcements only to have people find out that they were not real, that they were bogus announcements. For example, the harbour cleanup situation in Saint John was simply an announcement, a sort of deathbed repentance. It is something the Liberals announced without having cabinet authority or having gone through Treasury Board.

They went into the city of Saint John and made an announcement less than a month before the election simply for the sake of announcing it, but with no firm commitment. It is a file that the present member for Saint John fell asleep on a number of years ago when he was a member of the government from 1993 to 1997. We are committed to that project and, over the course of a number of years, we will get it done.

With only one minute left, I will mention what I think is also an important one: \$21 million was announced through the Atlantic innovation fund for nine research projects in the province of New Brunswick, for a total value, with all the partners, of about \$52 million.

We were the ones who came up with the moneys to help out our struggling agriculture industry, with real money to get the job done, and also with \$5.5 million to help with the second phase of the Fundy Trail, a world class tourist attraction.

• (1145)

We have invested in infrastructure in many spots around the province of New Brunswick in the last number of weeks. We are totally committed to the province of New Brunswick and to this country of Canada.

We are doing the very best we possibly can. I think that is reflected in the budget. As I said earlier, I think it is refreshing that Canadians can actually see a government doing what it promised to do.

[Translation]

Mr. Gérard Asselin (Manicouagan, BQ): Mr. Speaker, I listened attentively to the member's speech. He gave a long list of what is in the budget. He is a Conservative minister in the government in power and he extolled the virtues of his budget. However, I will speak of what is not in the budget.

Of course there are several irritants. The excise tax on gasoline could have helped develop the tourism industry. However, there is not a word about this subject, even though the tax was imposed by the Liberals. This tax is hidden in the price of gasoline. There is talk of an oil crisis with the price of gasoline increasing to \$1.50 per litre. The Conservatives have done nothing to reduce the excise tax on gasoline.

Furthermore, in the Speech from the Throne and the budget there is nothing about employment insurance. Yet, when in opposition, the Conservative Party voted with the Bloc Québécois to make certain recommendations, and this in a unanimous report by the parliamentary committee.

Today, the Conservatives are in power and there is no mention of employment insurance in the Speech from the Throne or the budget. However, according to the Auditor General's figures, the employment insurance fund has accumulated a surplus of over \$50 billion. This money comes from employees and employers. Not one cent is government money.

Will my colleague, who is a member of Cabinet, commit this morning to the unemployed, the seasonal workers, the Sans-chemise groups, the committees for access to employment insurance, to recommend to the Prime Minister the true reform of employment insurance and the establishment of an independent fund?

At present, it is theft by government and a hidden tax on the backs of the unemployed and seasonal workers. I believe that if the Conservatives are serious and capable of some logic, they will stop taking money from the fund at the expense of the unemployed and will give them a truly improved fund and an independent fund.

[English]

Hon. Greg Thompson: Again, Mr. Speaker, I could step through many elements of the budget, but at the end of the day we are providing real tax relief to Canadians and we are committed to a strong and vibrant economy.

The member may want to focus on unemployment, but we want to focus on employment. We support the program, obviously, and as members know, in my career in the House I have been up on that subject many times. At the end of the day, we want to put in a tax system that supports our workers, supports industry, and supports growth in the economy, along with education and training for our young people so that we will have the best trained workforce in the world. Those are some of the commitments we have made and obviously some of them are in the budget.

I am pretty proud of how our budget has addressed some of those very issues he mentioned. Again, I think it is very good news for the province of Quebec. I do not have the exact numbers here, but I have seen them. I think he appreciates them because he supported our budget initiative, obviously because it is good for the province of Quebec.

I am very proud of what we have done for his province. I am proud of what we have done for the other areas of the country as well.

The Budget

• (1150)

Mr. Paul Zed (Saint John, Lib.): Mr. Speaker, I listened with great interest to the hon. member, and specifically to his reference to the \$2.83 million allocated for harbour cleanup. I want to ask the hon. member if it is his recollection that the \$2.83 million was in fact money for municipal-rural infrastructure and that team Saint John had actually put that money together for projects like the YMCA, waterfront development and the Rothesay regional economic development project.

Regarding the \$44 million that is needed for construction this summer for harbour cleanup, there is no money in this budget for strategic infrastructure. Have we not taken money out of one fund and put it into another? In other words, have we not robbed one fund and put it into another fund for political expediency? This is not a partisan issue. In 2004 the mayor and council of Saint John came out for the first time with a proposal that all members of this House were involved with at meetings, including the then prime minister.

I would ask the hon. member about the \$2.83 million and that money being taken away from other projects in Saint John. How does he square those two funds?

Hon. Greg Thompson: Mr. Speaker, that is coming from the member who fell asleep on this fund in his years in this place.

Mr. Paul Zed: I did not fall asleep. That's not true.

Hon. Greg Thompson: The truth is that he represents Canada's oldest incorporated city. We acknowledged that the need for this project has been around a long time. We are the first government to actually put real money into that project.

It is true because last year there was a deathbed repentance to get this guy elected in Saint John on a bogus promise of \$80 million and the money just simply did not appear. There is no document in this place, including the cabinet, that would support that position.

The only member on the Liberal side who spoke the truth on this was the minister of infrastructure who said that there was no money in the budget for that project.

That is the same member and the same government who promised to refurbish Point Lapro. There were 700 high paying jobs at one of the world's best nuclear reactors in the world and the Liberals abandoned that project on their watch. That is the record of that member's party.

The Liberals also went down on another bogus announcement in July 2005 for our aquaculture industry. They promised \$20 million to aquaculture but did not deliver one cent. Again, an abandonment of their position. Their position was a bogus position. There was no money, zero dollars, nothing. That is his sorry record as a member representing Canada's oldest incorporated city.

Mr. Patrick Brown (Barrie, CPC): Mr. Speaker, on May 2, Canada's new government presented its first budget and the budget delivers. It delivers on tax relief, on focused spending, on debt paydown, on supporting infrastructure, on investing in health care and on helping Canadians most in need. I am very proud to support the budget on behalf of the residents of Barrie.

Let us look at the tax relief in the budget. Taxes are too high. Canadians are overtaxed and the budget recognizes that. Since 1994

the GST burden on Canadians has doubled from \$15.9 billion to \$31.8 billion. Total income taxes collected have doubled and personal income taxes are up 82%.

According to the TD Bank, GDP per worker rose by 21.8% over the past 15 years and yet real after tax income per worker remained stagnant at just a 3.6% gain over the same period.

Enough is enough. Canadians deserve a break. Canadians deserve to be unleashed from the shackles of the Liberal tax age. It is time to give money back to Canadians. That is the bottom line of budget 2006. The budget delivers \$20 billion in tax relief over two years. That is more than the last four budgets combined.

Let me tell the House how the new government will lower taxes. The government will reduce the GST from 7% to 6% effective July 1; happy Canada day. We will create a new \$1,000 Canada employment credit effective July 1. This new tax credit gives Canadians a break on what it costs to work, recognizing expenses for such things as home computers, uniforms and supplies.

The government will reduce the lowest personal income tax rate from 16% to 15.5% effective July 1. We will increase the amount that all Canadians can earn without paying federal income taxes.

The government will create a new apprenticeship job creation tax credit of \$2,000 per apprentice. Once again, effective July 1 we will provide a 15.5% credit for the cost of transit passes.

The government will completely eliminate federal income tax on all income from scholarships, bursaries and fellowships. The government will create a new tax credit for textbooks for post-secondary education. We will provide a physical fitness credit of up to \$500 for the registration fees for children's sports.

The government will double the amount of eligible pension income for seniors that they can claim. I know this is the first such increase in more than 30 years.

The bottom line is that the budget delivers \$20 billion in tax relief, a staggering 29 different tax reductions.

Let us talk about crime and security. Our government is committed to ensuring that Canadians are safe in their homes, their communities and on the streets, the defining characteristic of the Canadian way of life that must be preserved.

The Budget

Times are changing and our cities are changing. The safe streets and neighbourhoods we expect as Canadians are threatened by gun, gang and drug crime. I have seen that happen even in Barrie where this past weekend there was a murder investigation that began in the south end of Barrie. Crime is not simply the domain of big cities but has spread into the traditionally peaceful small towns and neighbourhoods.

With this budget, our government focuses spending to protect Canadians on their streets, in their communities, at their national border and throughout the world. We are cracking down on crime. We will provide \$161 million to put more RCMP officers on the streets. We will invest \$37 million for the RCMP to expand their training academy.

We will set aside additional funds for Canada's correctional facilities. We will provide \$20 million for communities to use and develop programs designed to prevent youth crime. We will provide \$26 million to get victims a more effective voice in the judicial process. We will provide money required to arm our border agents.

Canadians deserve to feel safe within the confines of their own communities. The budget helps our Minister of Justice to achieve that important aim.

On health care the budget is a win as well. A strong health care system is the foundation of any healthy society and yet between 1994 and 1999 the previous government cut health care by \$25 billion. Wait times during the Liberal tenure went from 9.3 weeks to 17.7 weeks. Canadians deserve better.

• (1155)

I think of my local hospital in Barrie, the Royal Victoria Hospital, which struggles with limited resources and often does not have beds available. Doctors are working extended hours. Our community has become involved financially to support the hospital. Our CEO, Janice Skot; our board chair, Chris Gariepy; and fundraising chair, David Blenkarn, have done exceptional jobs for our community. The community, which has raised over \$25 million, and the city council, which has contributed one-third to the hospital expansion and over one-third to doctor recruitment, have taken on an incredible burden. We have done this despite federal leadership. We need a federal government that shows leadership in health care.

In the 1990s the federal government was part of the problem, not part of the solution. I am proud that health care funding is increasing in this budget by 6% because this government is becoming part of the solution. Our new Canadian government will work with the provinces to create a patient wait times guarantee and we have already committed \$5.5 billion to the provinces for the wait times reduction transfer.

One of the challenges we face in the health care system today, especially in Barrie, is the lack of doctors. One out of 30 Canadians does not have a doctor and in Barrie it is one out of four. Given our high growth and aging physician population, this is a dangerous stat especially in Canada when doctors are driving taxi cabs and delivering pizzas. I was excited to see this budget made mention of a Canadian agency for assessment and recognition of foreign credentials. This may seem like a small, unnoticed initiative but it will certainly go a long way in communities like mine that are

struggling to find doctors and are frustrated by the ones within our own communities who are not allowed to practice in the land of hope and opportunity simply because their medical degree is from a different country. Even if they pass our equivalency exams, often we do not give them residency spots because of a lack of funding in our health care system.

We will improve the system so Canadians get what they pay for.

Small businesses are the backbone of the Canadian economy. Many Canadians are employed by them. They are responsible for almost half of all the new jobs created in Canada. All of us turn to small businesses for services, such as our local dry cleaner, our computer software company and our local grocer. I think of our small businesses in Barrie like Garner's Source for Sports on Dunlop Street, StorageOne on Bell Farm Road and Hot Banana, a new tech company. We need to support these small businesses because they are the heart of our communities. They create jobs and give back to our communities in a cultural and charitable fashion.

Canada needs a government that will do everything it can to support small businesses. We will increase the threshold for small business' income eligible for a reduced federal tax rate from \$300,000 to \$400,000 effective January 1. This is an important step. This government will also reduce the 12% rate to 11.5% effective 2008 and 11% in 2009. I am very pleased by this.

I remember before the election that the local branch of the CFIB and Lew Miller put together a group and talked about these issues. These are things they wanted to see Canada's new government focus on. It is really encouraging to see that the government has actually put plans in place that small businesses were thirsty for in this country.

I want to make note of initiatives in this budget for apprenticeships and tradespeople. Canada is facing a serious shortage of tradespeople, such as carpenters, plumbers, electricians, cooks and others. Our government is taking action to encourage apprenticeships and support apprentices in their training. Our Prime Minister came to Barrie last fall and made a commitment to Georgian College where we have a very focused training program for apprentices. He said that if he were prime minister he would support the industry and do everything he could to support initiatives like we have at Georgian College.

I am very encouraged that in this budget we are going to help companies hire apprentices with a new apprenticeship job creation tax credit of \$2,000. We will create a new apprenticeship incentive grant of \$1,000 per year for the first two years of a red seal apprenticeship program. We will invest \$500 million over the next two years in these two measures, which will help approximately 100,000 apprentices.

The Budget

We will also help apprentices and tradespeople with the heavy burden of buying the tools they need to do their jobs. Our government will invest \$155 million over the next two years for a cost of tools deduction, which will help approximately 700,000 employed tradespeople in Canada.

I also want to make mention of what this budget will do for municipalities. As a former city councillor in Barrie, I am very impressed with the commitment this government is making to infrastructure. Investing in infrastructure, bridges, roads and transit is all too important.

• (1200)

Delays in moving goods and the cost of a business is a very significant challenge for businesses when we do not have a proper infrastructure. Hence, supporting municipal infrastructure, supporting pan-Canadian infrastructure is a significant advantage for Canadians because we are investing in our economy or allowing for a greater speed of delivery for our goods.

This is a long term commitment of unprecedented new investment that the government is focusing on. Over the next four years we will invest a total of \$16.5 billion in new infrastructure initiatives, including \$3.5 billion this year and \$3.9 billion next year.

The government will provide more than \$5.5 billion in new federal funding for highways and border infrastructure, the municipal road infrastructure fund, the Canadian strategic infrastructure fund, the public transit capital trust, and the Pacific Gateway initiative.

This is great news for cities. Municipalities only receive 8¢ on the tax dollar to deal with the many day to day challenges of Canadian citizens. The mayor and city council in Barrie are doing a great job with a limited budget. I am certainly encouraged to see that the government is able to do a little bit to help them.

On January 23 Barrie residents voted for change. Our new Prime Minister promised to honour that trust. I suggest that the Prime Minister has delivered in the budget. It is certainly encouraging to see.

• (1205)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I have one question in particular on the speech my colleague shared with the House. I think what Canadians are beginning to realize, and they will realize it even more when they come to do their income tax next year, is that what they put in the window on this budget falls far short of making any kind of difference in the average life of a Canadian.

Yesterday I mentioned in the House the tax credit of \$500 for sport registration for children under 16 years of age. When Canadians come to do their taxes, it will come down to about \$80. Will that have any type of impact? Will that elicit any change in behaviour, when mom and dad are sitting down at the kitchen table figuring out whether or not they can put their young ones into gymnastics, minor hockey or whatever the sport might be? Is there any true benefit in that?

It is nice. It is 80 bucks. I will claim that. I have three boys who are involved and that is great, but will it prompt any kind of change in behaviour? Will it address obesity, health and fitness issues?

My question for the member is, why did his party not follow through with their campaign promises? They are hurting themselves over there patting themselves on the back. Why did they not follow through with the campaign promise that the Conservatives would allocate 1% of the total health budget, which would have been about \$400 million, to sport and fitness? Where is that in the budget? I cannot find it. Would the member show me where that is in the budget?

Mr. Patrick Brown: Mr. Speaker, it is amusing to hear this question from a Liberal member, given that it was the Liberal government that cut health care transfers by \$25 billion between 1994 and 1999.

If we look at the problems that we have with health care in Canada, the root of that occurred on the Liberal watch. If we look at waiting lists, at challenges we have in providing the best possible health care system for children and providing funding to enhance health, it happened on the Liberal government's watch.

The government does focus on families and health. Families are the building blocks of society. Communities are what bind us together. Parents have to fight harder to balance work and family commitments. Some Canadians need help more than others. For our government, supporting families means providing choice in child care for all Canadian families. It means providing a sports tax credit. It means helping out children with disabilities.

The member mentioned fitness in his question. For many Canadians, loading up a minivan for hockey practice or car pooling to the soccer field is routine. It brings families and communities together. It keeps kids involved. It keeps kids fit, but it is an added expense.

The member across the way may not view it as an added expense. It may not make a difference for families in his opinion. I can tell him that it does. I remember growing up, and my mother and father took me to the rink when I was six and certainly they sacrificed things in order to do that. A lot of Canadian parents make a sacrifice to involve their kids in recreation. Canadians take a tremendous degree of pride in being able to involve their children in recreation, whatever sport of their choice.

I am certainly very proud that the budget includes the tax credit for children's sports. It is important to support our families.

[*Translation*]

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Mr. Speaker, I want to remind hon. members that the Bloc Québécois intends to support the budget, but not necessarily for all the reasons listed by my colleague opposite.

As we have said many times, we consider this to be a transitional budget. It contains the Conservative Party promise to resolve the fiscal imbalance. However, when he says this budget includes tax relief, we disagree. In fact, given the higher cost of living, there is no tax relief.

The Budget

As far as lowering sales tax is concerned, this goes against the global trend. Furthermore, this party voted in favour of providing assistance to workers, older workers in particular, and transferring the employment insurance fund to an independent committee.

I would like my colleague to indicate where in this budget or in his party's provisions he sees this transfer and this assistance to older workers.

• (1210)

[English]

Mr. Patrick Brown: Mr. Speaker, I am pleased that the member across the way mentioned that he is supporting the budget. The bottom line is that the budget has 29 different tax cuts. It delivers \$20 million in tax relief. When I talk about how we are delivering in the budget, we are delivering focused spending, debt repayment, investment in health care, and delivering for students like those in my riding at Georgian College. The budget delivers for Canadians. I encourage all members in the House, not just the Bloc who support this important budget, to help build an even stronger country.

Ms. Bonnie Brown (Oakville, Lib.): Mr. Speaker, we have all heard the old saying, "Tell me who your friends are and I'll tell you what you are". I do not dispute the wisdom of this statement, but I think a more updated version would be, "Tell me where you're spending your money and I'll tell you where you're going".

The Conservative government's first budget does not tell the whole story, but it does drop a few hints. I agree with the leader of the Bloc Québécois who said that the real budget is next year.

I also agree with my favourite journalist who said last week on TV that with the performance of the economy and the size of the surplus left by the previous Liberal government, a good news budget could have been written by a chimpanzee.

It was good news for some Canadians, I agree, those comfortable folks in the affluent suburbs where we can find some moms lucky enough to stay home to focus on their children's needs. Yes, they will get a cheque which is supposed to recognize their truly hard work, but if they calculate the Conservative government's recognition of their contribution, they will realize the government thinks they are worth about 27¢ an hour.

The government is underestimating these women who could earn good salaries in the marketplace, but stay home because they can afford to do so and because they choose to do so. For these women, 27¢ an hour is an insult.

Actually, they are more concerned about the state of the environment in which they are raising their children. They are not happy about dumping overboard an international plan, the Kyoto accord, for what seems to be as yet a vague notion of a made in Canada plan, one that has still to be developed.

If this mom's family home is located near a transit line, the parent who goes to work outside the home can get there using public transit with a 15% tax credit on the purchase of a monthly pass. Homes near transit lines are more expensive, so lucky people who live in these homes just became luckier.

These two strategies are the bait. They reveal the narrow casting for future votes that the budget represents. However, people in

Ontario have seen this movie before. It does seem like good news at first, until time passes and shows the cost to society of these cynical payouts.

On budget day a chill ran down my spine when I saw former Premier Mike Harris in the front row of the gallery, nodding and smiling as his acolyte, the Minister of Finance, unveiled the same neo-conservative prescriptions the Harris government used in Ontario.

Ontarians know that good news for a few lucky ones translates into bad news for many. They watched the decline of public education in the province as the Harris government starved the system, demonized and demoralized the teachers and negatively affected almost every student.

The affluent simply withdrew their children from the public system and enrolled them in private schools and were rewarded with a tax credit for school fees. In my town the number of private schools grew by 400% during these years.

However, the most vulnerable in society suffered. Social assistance rates were cut ruthlessly to the point where recipient parents were unable to feed their children properly. For the working poor, a second and even a third job became the norm.

For the children in these families, the school, which had been the last safe place, shrunk in its ability to respond to their needs. Social workers and psychologists were reduced. Music and art programs were reduced and sometimes cut altogether.

The heroes of this period were the teachers who worked harder, but still witnessed a rise in the dropout rate as young people, unserved, simply gave up. None of the human service professionals are surprised that 10 years later we are facing a rise in gangs and guns.

I describe Ontario's experience to warn Canadians in other provinces. The same people who brought this misery to Ontario are now in charge of our federal tax dollars. Our new federal Minister of Finance and our new President of the Treasury Board were part of the Harris government and still believe in its policies.

By the way, Mr. Speaker, I will be splitting my time with the hon. member for Mississauga South.

The evidence that these people do not believe in community investment is seen by their throwing overboard the beginnings of a national day care program, most of the strategies developed by environmentalists to reduce global warming, and the best arrangement we have had with the aboriginal people in 30 years, which is the Kelowna accord.

The Budget

•(1215)

Where are the Conservatives putting this money they are saving? They are giving bits and pieces back to selected taxpayers, but the largest chunks of it will go to more people in uniform with guns. They are going to try to recruit 2,300 more people into the armed forces for missions like Afghanistan, add 1,000 more RCMP officers and, for the first time, put guns into the hands of our officials at the border. One of my colleagues joked as to when they were going to issue uniforms for us to wear in the House of Commons. In addition to more guns, they have introduced such justice measures that will put more people in jail and require more prisons and more prison guards, with guns no doubt.

I am a Canadian. I have English roots, but I have a long held profound respect for my brothers and sisters in Quebec. My respect is multifaceted and includes admiration for their nurturing of language and culture, music, drama, film, dance and literature. Even more profound is my respect for their advanced programs in education, their early childhood program, their community colleges and universities. I believe their education system does not simply prepare people for jobs, but tries to prepare them for a rich and meaningful life.

Progressive programs in youth justice have kept many people out of jail. From everything I have experienced in Ontario, Canada needs more Quebec solutions, not less. It needs more cooperation and community, not more American competition and individualism. Quebecers should be worried about what they will lose under the Conservative government and the alien culture it represents. When the government presents its next budget, its true colours will show.

I do not believe Quebecers will be willing to trade their traditions of caring for each other for the ruthless individualism the government will espouse. I ask them not to be fooled into complacency by the small bait offered in this budget because there could be another unpleasant price to pay.

That is the relationship between large tax cuts and the resulting threat to the treasury. Certainly, the Ontario tax cuts by the Harris government left a large annual deficit, even though the record of economic activity at the time suggested boom times. I notice that this federal budget did not provide a prudence factor in the case of an economic downturn.

Considering the legacy of deficits from the last two Conservative governments experienced by Ontarians, that is \$42 billion from Mulroney-Campbell and \$6 billion to \$8 billion from Harris-Eves, we should hold our applause until we see what the budget's combination of tax cuts and spending does to Canada's long term financial health.

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I will correct one small fact in my hon. colleague's comments. There will be 23,000 more recruits to the Canadian Forces, not 2,300. She probably knows that.

That also serves to emphasize the point I want to make. There will be 23,000 more Canadian Forces members and 1,000 more RCMP officers, who will have guns on our streets in our cities, people trained and dedicated to protect us. I am not making this up. That

will actually happen. I for one and many Canadians think that more protection by people properly trained and dedicated is a good thing.

What is insulting is not whatever calculations the member has made to come up with 27¢ an hour. What is insulting is the Liberal party's ideology that says the government must live the lives of Canadians for Canadians. We think Canadians can live their lives for themselves given the right tools.

I have one specific question for the hon. member and it relates to Kyoto. Does the member approve of sending billions of Canadians' hard earned tax dollars to other countries so they can continue to pollute our planet? I know I will not get a simple yes or no, but I will try.

•(1220)

Ms. Bonnie Brown: Mr. Speaker, I thank the member for his correction. I am sorry, it is 23,000 more recruits. I would like to point out just how much money that will cost the treasury, not just the salaries for these new soldiers, sailors, et cetera, but also the infrastructure that will have to be built to house and maintain them.

I believe he was accusing the Liberal government of social engineering. His party did that for the last 10 years. The Liberal government did occasionally use a tax credit or some such thing to elicit certain behaviours. However, it is a situation of the pot calling the kettle black. There is a lot of social engineering in this budget.

There is money to help when registering a child for sports, of which I very much approve, although the amount one actually will get is so little: \$80. I know my daughter's fees for her children's dance lessons amount to thousands of dollars each year. The \$80 becomes small change.

There are several issues in the budget which I find funny, considering the accusations that flowed from the Conservatives when they were in opposition to the Liberal government, only to find that the Conservatives have replicated the same style. That is very strange.

As far as trading what I believe is called carbon credits, it is not the ideal scenario. On the other hand, if we can help bring all countries together, through such a mechanism, I am not opposed to it. The main thing is there was a plan. There were a great number of dollars in the last Liberal fall economic update for a variety of environmental improvement strategies, all of which have been cut. I think most Canadians are sad about that.

[Translation]

Mr. Guy André (Berthier—Maskinongé, BQ): Mr. Speaker, I want to respond to the comments made by my colleague who just spoke.

The Budget

One of my greatest concerns is that since 2004—since I have been here—we have been talking about improving the employment insurance system. We know that \$45 billion was accumulated in the EI fund. We want to have an independent, improved employment insurance system. The Liberals were in power for 13 years and they did very little for people who receive employment insurance benefits. In their budget, the Conservatives have also forgotten about the unemployed and the POWA program for older workers.

Now that the hon. member is in opposition, does she think it is important to improve this system? Sometimes it can be easier to take that kind of position when you are in opposition. I want her opinion on the employment insurance fund and the improvements that should be made to it.

[English]

Ms. Bonnie Brown: Mr. Speaker, I would like to compliment the questioner and his party for the tremendous work they have done on the EI file over the last number of years.

He will recall that the major cuts to the EI system happened as a direct result of the terrible annual deficit left by the previous Conservative government. Most programs that the federal government ran were cut at that time and it took years to get back to a point where we could make improvements. As the financial—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. member for Mississauga South.

• (1225)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the measure of success is not a matter of where one is, but a measure of how far one has come from where one started.

During this debate we have had a number of suggestions that somehow the Liberal record is not worth boasting about, and I would like to clarify that for the House.

In 1993 we inherited from a Conservative government, which was in power from 1984 to 1993, an unholy mess. There was a \$42 billion deficit. Our overall debt had ballooned to stifling proportions, equaling almost 70% of our gross domestic product. Deficit financing was a bad habit. Interest charges were high. There was no real economic growth. Job creation was essentially nil and our economic sovereignty was in jeopardy. We were even compared to a third world country. This is a sad legacy of a Conservative government.

Let us see what happened in the next 12 years, from 1993 up to the last election.

The government cleaned up the nation's finances, restored Canada's financial sovereignty and re-established the federal government's ability to invest properly in Canadians' leading social and economic priorities, while at the same time balancing the books, reducing its debt and coping with unforeseeable external shocks. We balanced the books in 1997. We brought down eight consecutive surplus budgets with five more balanced budgets projected in the future. We reduced the federal debt, in absolute terms, by more than \$63 billion. As a proportion of the total—

[Translation]

The Acting Speaker (Mr. Royal Galipeau): I am sorry to interrupt the hon. member for Mississauga South.

The hon. member for Hull—Aylmer.

Mr. Marcel Proulx: Mr. Speaker, on a point of order. We do not seem to have quorum. I would like the members in the House to be counted to ensure we still have quorum.

The Acting Speaker (Mr. Royal Galipeau): I would like to inform the member for Hull—Aylmer that the Sergeant-at-Arms will check to see whether there is quorum.

And the count having been taken:

The Acting Speaker (Mr. Royal Galipeau): We have quorum.

Mr. Marcel Proulx (Hull—Aylmer, Lib.): Thank you, Mr. Speaker.

[English]

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Mississauga South.

Mr. Paul Szabo: Mr. Speaker, as I was saying, we balanced Canada's books in 1997, brought down eight consecutive surplus budgets, with at least five more balanced budgets projected for the future five years.

We reduced federal debt, in absolute terms, from \$63 billion and, as a proportion of the total economy, by 45%. The debt is now in a steady downward track, scheduled to decline to 25% of GDP by 2015 and then to no more than 20% of GDP by 2020.

Under the Liberal government, we obtained the AAA credit rating. Inflation declined, interest rates came down and remained low and stable. Federal taxes were reduced by more than \$100 billion since 2000 and another six-year \$50 billion tax cut was initiated in 2005. I should also mention, we indexed the income tax system to give Canadians tax breaks each and every year.

The Canadian economy has generated more than 3.5 million new jobs since 1993. Participation in the labour market is at near record level highs, while unemployment has plummeted to a 32-year low. Business and consumer confidence is up. Investment plans are robust, housing markets have been impressive and both domestic demand and export sales have continued to be very positive.

Canada has enjoyed 12 straight years of unprecedented economic growth. We can properly claim the best fiscal performance in the G-7 group of world-leading economies and the best fiscal record of any Canadian government since 1867.

Ten years ago, there were 12.8 million jobs in Canada. Today there are 16.4 million. The unemployment rate was 11.5% 10 years ago. Today it is 6.3%, the lowest in 32 years.

I could go on with statistics, but there is more. It is also important that a government invest. So what did the government do? We did that, too. We invested in the strongest ever support systems for children, families, seniors, the disabled and their caregivers.

The Budget

We invested in the highest ever transfers to provinces and territories, as well as direct federal programming to advance health care, more than \$42 billion for health care alone over the next 10 years, plus education, a clean environment, public infrastructure, safe and vibrant cities and communities, the agriculture and resource sectors, new Canadians, first nations and aboriginal peoples.

We also invested in science and innovation, talent and brains, so Canada could remain number one in the G-7 for publicly-funded R and D and so Canadians could succeed in the knowledge-based, technology-driven, skills-intensive and highly-competitive global economy in the 21st century.

We also invested in foreign aid, diplomacy, national defence, security and public safety.

Our track record in this regard is very enviable.

What about children and families and those in most need in our society? We introduced the Canada child tax benefit and the national child benefit supplement, which will help more than three million families annually, providing \$3,000 a year per child, totalling about \$8 billion a year in family benefits. We expanded the child care expense deduction to \$7,000 per year for children under seven, \$4,000 for children seven and older and \$10,000 for children with disabilities, totalling some \$500 million per year in benefits.

We have enhanced the broad range of tax and other supports for children with disabilities, including a major improvement in the child disability tax credit. We expanded parental leave from six months to a full year. I am pleased to say it was my bill. We created the registered education savings plan, the Canada education savings grant and learning bonds for every newborn child in our country. We launched the head start program to help ensure a good beginning in life and at school for our aboriginal children.

In the 2000 health accord, we established an early childhood development framework, which is now providing provinces and territories with about \$500 million every year, through the Canada social transfer. We also invested in a multi-year \$100 billion tax reduction plan, which began in 2000 and emphasized cutting the personal taxes of middle and low income families. It brought down the federal tax burden by some 27%.

Our further plan to cut taxes would increase the basic personal amount, which all Canadians can earn tax free, reduce federal taxes across the first three brackets and also institute a new working income benefit to help low income families get over and stay over the welfare wall, representing an overall tax savings to Canadians of close to another \$30 billion over six years, with the vast majority of benefits focused on middle and modest income Canadians.

• (1230)

I would be remiss if I did not mention probably one of the most important acts that I participated in along with most parliamentarians in 1993, and that was the Clarity Act. Over the last decade that act became the hallmark and an important legacy of the Government of Canada in that it addressed up front the problem with regard to having referendums on the issue of Quebec separation. Now we have legislation in place, thanks to the Liberal government over the last 12 years, that will ensure that this problem will not be the same kind of problem we experienced the last go-round.

We know where the Conservatives were before 1993. We know where the Liberals have been over the last 12 years. What do we see now? Very honestly, when I look at the budget as a package I do not see a vision for Canada. I do not see nation building. I do not see investment in post-secondary education. I see an abandonment of the climate change file, which is probably one of the most important files that we need to address.

On the Kelowna accord, who in our society is more deserving and more in need than our aboriginal and first nations people? I have visited at least a dozen reserves. I have been there so I know. We have talked very passionately. The member for LaSalle—Émard has been doing excellent work to advance those issues.

We need a vision for our country. I understand every government can make its choices, but I can say that in the next budget some \$22.5 billion in programs that Canadians need in order to live in dignity and respect are going to have to be cut. I am afraid for seniors. I am afraid for children. I am afraid for Canadians at large. We have heard so many examples of how the budget has not told all of the story with regard to the implications of the tax increases. If members were to check with the Conference Board or look at the Caledon Institute report, they would see that this is clearly a budget that is dedicated to short term gain for long term pain for all Canadians.

• (1235)

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I would point out to my colleague that broken promises and empty rhetoric do not build nations. Actions build nations.

I would also point out that while the Liberals take credit for balancing the books, a distinguished panel of McGill academics rated previous prime ministers strictly on their economic performance regardless of whether one likes them or not. They rated former prime ministers Trudeau and Chrétien at the bottom of the pile and former prime minister Mulroney at the top because he brought in policies, which the previous federal government between 1993 and last year used to some effect. They were not the Liberals' policies, they were the policies of the former Conservatives.

It is not hard to balance a budget when there are unlimited powers of taxation. One of the ways the Liberals balanced the budget was by confiscating \$60 billion from EI, and the military, RCMP and public service pension plans, one of those pension plans being mine.

To say that the Liberals invested in national defence is a joke. I acknowledge the Clarity Act, but I wonder if the member would acknowledge that in fact it is the current Prime Minister who actually wrote the words that were in the Clarity Act that were then adapted, to the Liberals' credit, by his government to have what we have today. It was not their idea.

The Budget

Mr. Paul Szabo: Mr. Speaker, I am sorry but the member has his facts wrong. He obviously did not listen to the speech. Let me give an example of where he is wrong.

He said on the EI file that we somehow took some money. If the member would do his homework, he would understand that during the Mulroney years the EI program was actually operating at a deficit and it was being funded off balance sheet, if he understands what that means. As a consequence the Auditor General instructed the Government of Canada to put the EI fund into the government operating funds so that we could properly fund it. That was from the Auditor General. I am sorry, but the member is wrong on that.

There is another place where the Conservatives are wrong. They are going to spend \$1.3 billion for transit pass tax credits, 90% of which are going to go to existing transit users. It is estimated that ridership will increase by 5% to 7% but there is not that capacity in the system which means there will have to be investments to beef up the transit systems. What is going to happen then is that transit fares are simply going to go up because all of these public transit systems are subsidized in the first place. Talk about waste and mismanagement, that is a perfect example.

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, at the beginning of his speech, the hon. member said that the previous government had restored the country's financial sovereignty.

I would like to ask him about the cost of restoring financial sovereignty. We know that unemployed workers paid a high price, as did older workers whose POWA program was cancelled, and that there has been a major increase in the fiscal deficit between the central government and the provinces, including Quebec.

I would therefore like to ask him how he can be proud of this record.

[English]

Mr. Paul Szabo: Mr. Speaker, the fact remains that in 2006 the government of the day inherited from the Liberals the strongest economy, the most robust fiscal situation and the cleanest set of books that any newly elected incoming government has ever received. That is as simple as I can put it.

If one's fiscal house is in order, there is the ability to address the fiscal imbalance, to deal with jobs, to deal with children, to deal with families, to deal with child care and to deal with other things. In the Mulroney era, in the 10 years of that Conservative government, there was not one balanced budget. There were some very good years there but it seems to me that if the deficit is not reduced when the government has a surplus and some debt paid down in good years, they certainly are not going to do that when the economy is on a downturn.

• (1240)

[Translation]

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I will be sharing my time with the hon. member for Peace River.

[English]

I am proud to rise in my place today to give my wholehearted support for this budget. It has been a long hard journey to get here. Thomas Edison once said that opportunity can be missed by some people because it is dressed in overalls and looks like work. This government has worked hard to have the opportunity to propose this budget and we will work even harder to make it a reality.

[Translation]

I have been in politics for a very long time. I have municipal, provincial, and now federal experience.

Since the Prime Minister entrusted me with this portfolio, I have had the opportunity to meet with Canadians from all across the country. After meeting with people from the Pacific to the Atlantic, there is one thing I am hearing constantly, something which has stayed in my mind. And that is what these people want their government to stand up for, namely the priorities. They want it to do great things, in a clear and targeted fashion. That is exactly what this budget does.

[English]

The budget highlights five priorities, the same five priorities we campaigned on last winter, and the same priorities to which Canadians will hold us accountable. Those priorities are to: clean up government through the accountability act; cut taxes beginning with the GST; tackle crime; give parents a choice in child care; and work with the provinces and territories to shorten waiting times for health care.

[Translation]

Those are the five priorities of the government's overall agenda.

The Minister of Finance has also presented the measures that will allow us to improve the competitiveness of the Canadian economy on global markets and to support a better quality of life for what Canadians call home, that is, their communities.

A country with a burgeoning economy is equipped to act on priorities such as those I have just described to you. Our competitiveness and our quality of life are closely related to the way that we integrate a great many of these factors.

When the Prime Minister assigned me responsibility for transport, infrastructure and communities, he created a powerful portfolio with a variety of tools for overcoming interrelated challenges. In very concrete terms, the integration of these three components reflects our approach to certain major issues, and provides us with a better framework for introducing the type of policies we will need to move this country forward.

This budget is our guide in that direction. Over the next four years, the government will be providing unprecedented support for initiatives designed to improve our infrastructure and our transportation network.

The Budget

The present budget provides for the renewal of federal agreements on infrastructure and the funding of new infrastructure initiatives. Those initiatives include a new permanent fund for highway and border infrastructure, which will make available \$2.4 billion over the next five years.

This new fund will gradually replace the border infrastructure fund. We have also added \$400 million to the \$2 billion already promised in last winter's election platform.

The new highway and border infrastructure fund will serve to finance not only the core national highway system, but also improvements to Canada-U.S. border crossings.

[*English*]

Let me point out some of the other key investments included in the budget. There is an additional \$2 billion to renew the Canada strategic infrastructure fund. Recognizing the needs of smaller municipalities, the budget allocates \$2.2 billion over the next five years to renew the municipal rural infrastructure fund. There is \$591 million over the next eight years for investments in the Pacific gateway initiative, which is the responsibility of my colleague, the Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics.

We know that public transit plays an important role in easing traffic congestion in urban areas, reducing carbon dioxide and other emissions and making communities more liveable. In the budget we accelerated investments in public transit. This includes \$400 million in funding to be provided through agreements with the provinces and territories. Nine agreements have already been finalized and these jurisdictions now have these funds. However, the other four jurisdictions will not lose out as the budget confirms that those provinces and territories that did not sign agreements before the end of 2005-06 will receive their allocation in 2006-07.

The Government of Canada will also provide a one time payment of \$900 million to the provinces and territories to be paid into a third party trust contingent on sufficient funds being available from the 2005-06 surplus in excess of \$2 billion. The public transit capital trust will support capital investments in public transit infrastructure, including rapid transit, transit buses, intelligent transportation systems and other investments, including high occupancy vehicles and bicycle lanes.

The budget backs those investments in public transit with \$370 million in tax credits for people who buy monthly passes. We are investing heavily in public transit and we are giving people a direct financial incentive to get out of their cars. No other government has ever done as much to encourage public transit.

I would also point out that the budget maintains the gas tax funding commitment under the new deals for cities and communities. Hon. members will recall that when this initiative is fully implemented in 2009-10, it will transfer the equivalent of up to 5¢ per litre of gasoline excise tax or \$2 billion. In total, federal support for provincial, territorial and municipal infrastructure will reach \$16.5 billion over the next four years. This is an extraordinary investment in public transportation.

In any budget it is sometimes easy to lose the sense of the numbers when we are talking in terms of billions and millions of

dollars, but it is always important to keep in mind the people we serve.

• (1245)

[*Translation*]

I served as president of the Société de transport de l'Outaouais.

[*English*]

I was in a position to see the importance of public transit in a growing community, as well as the urgency of ensuring that transit was stable and predictable in terms of financing.

[*Translation*]

For a good many Canadians, going to work or somewhere else and then coming back home is a concern, and represents a good share of their personal budget. While it is true that people want to save on their travel from one place to another, they also want to do this in complete security. In that regard, the budget provides funding for security—in fact, nearly \$303 million in measures to improve the security of persons and goods.

[*English*]

This includes \$133 million to support the Canadian Air Transport Security Authority operations and \$95 million for new measures to enhance the security of passenger rail and urban transit.

It also provides \$26 million over two years to design and test the security measures to ensure air cargo security throughout the supply chain, as well as the evaluation of screening technologies.

These are very impressive numbers, and all of this, of course, is in the budget, but we must never forget that the decisions we take have a direct effect on the quality of life of those who have elected us to the House.

In my case, I never forget how many people in the Pontiac, who live just a few kilometres from here, do not enjoy the same opportunities or services as most Canadians. Similarly, all ministers of the House work to better serve their fellow Canadians. This budget reflects that. It is a budget for all Canadians.

• (1250)

The Acting Speaker (Mr. Royal Galipeau): We have five minutes for questions. With the indulgence of the House, I would like to get three questions in. If questioners will restrict themselves to one minute and those answering to 40 seconds, we will be able to do so.

Hon. Brenda Chamberlain (Guelph, Lib.): Mr. Speaker, I want to ask a question on wait times. As anyone who has been in the House for quite some time would know, the wait time issue has been my issue.

The Budget

The Liberal government did a lot to move that issue along, but I know that this was one of the priorities for the Conservative government in the budget. I would really like the minister to explain to me exactly what the government is going to be able to do for wait times. I know that it has pledged \$19 million for foreign credentials, but I do not think it is enough to do the job. I do not think it is going to be able to do what the government thinks it can do.

I am sure the minister hears what I do when we are out on the streets from the people who need to see a doctor, just a general practitioner, or the people who need to be referred to a specialist. This continues to be a problem. I do not think it is necessarily a partisan issue. I think this has to be a people issue. We are here, as he has said, for the Canadian people and it is very important that we as Canadians deliver that if we can.

Hon. Lawrence Cannon: I am struck, Mr. Speaker, by my hon. colleague's position, in which she basically indicates that it is a bipartisan issue. She is absolutely right. When it comes to the health of Canadians, we are basically all in agreement on that issue.

Fundamentally what we have put forward in our budget is the amounts of money, and of course an action plan will be developed shortly, but this involves all provinces. As everyone might know, our colleague, the minister responsible, has already engaged in discussions on this issue, and certainly within the very near future we will have some sort of agreement that will satisfy not only my hon. colleague but surely all Canadians.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I would like to ask the Minister of Transport a question about two subjects.

The big oversight in the budget is the matter of employment insurance. There are two urgent issues in this file. I have already discussed them with the minister and his colleague, the Minister of Finance. First of all, I would like to know whether the government will continue the pilot projects set up by the previous government to bridge the infamous seasonal gap encountered by employment insurance beneficiaries in the regions of Quebec and the rest of Canada. Also, has the minister given any thought to allowing older workers who are victims of mass layoffs to benefit quickly from what used to be called the POWA, that is, the Program for Older Worker Adjustment? This program was abolished in 1997.

Mr. Speaker, you granted four minutes to my colleague. I hope you will be equally indulgent with me.

Hon. Lawrence Cannon: Mr. Speaker, I understand your indulgence with my colleague.

The question raised is an extremely important one. It will be recalled that, at the time of the Speech from the Throne, my colleague's political party proposed an amendment designed to develop some strategies, particularly to help workers, both those living in the regions and those about to leave their jobs, or forced to do so.

The Minister of Finance has already answered this question. He said that his colleague who is responsible for the file and he were open to considering different strategies. We will have to wait and see

what direction my two colleagues plan to take in this file in the coming weeks.

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, I am very interested in the discussion of infrastructure. The number one fact that is holding back economic development in northern Ontario is the lack of infrastructure investment over the last dozen years.

The COMRIF program, which is in place now, does not work. It does not work for northern communities such as Moosonee, Larder Lake and Elk Lake, which continually are rejected because there is not enough money in the COMRIF fund due to trying to fund such a large area across Ontario.

I have a question for the minister. The tax cuts are not going to fix the roads in Moosonee. What does the government have in place that will work for small rural communities to rebuild our infrastructure?

●(1255)

Hon. Lawrence Cannon: Mr. Speaker, I will be brief. The COMRIF program has been renewed. All other problems that stem from the COMRIF program obviously come from the former government and the work it had committed. Not only am I open to listening to suggestions that will be made by my hon. colleague, but certainly I think that we must be open-minded to any other kinds of issues we find in regions such as the one he represents and, for sure, open-minded to those people in northern Ontario.

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, I would like to thank the Minister of Transport for his speech and for his willingness to split his time with me.

I appreciate the opportunity to stand in this House to offer a speech for the very first time since my election to this legislative body. I am humbled to serve with so many individuals from across this country who are similarly passionate about working together to build a strong Canada for future generations.

I am even more humbled to have the privilege to represent the hard-working and visionary residents of my constituency. I would like to take just a moment to thank the men and women of Peace River who have elected me their representative in this assembly. I will endeavour to work for each member of my constituency and ensure that the future is bright for the generations that will follow.

It is my privilege to serve such a hard-working people. In my riding, there are people who have built and sustained its communities. They have built an existence as latter day pioneers. We have a community comprised of farmers and ranchers, forestry workers, truckers, carpenters, oil field workers, professionals and other hard-working residents. We have families who have taken the responsibility of reaching out and building a strong community where no community existed before. There are so many in my constituency who are truly Canadian leaders.

The picture has been painted, and I think it is clear that people in my community work hard for their money and for their successes, so I will not belabour the point. I do not think there is a reasonable member in this House who would criticize the hard-working and innovative Canadians who live in this nation's rural communities, particularly those who call the constituency of Peace River home.

The Budget

Yet for years, my constituents, along with many other rural Canadians, have been left out in the cold by previous administrations. I will rise and speak in support of this budget, because not only is it the first budget that we have seen in over a decade that truly respects and responds to all Canadians, but for the first time in a long time, this budget specifically responds to those who work in and call rural communities home.

For years, in budget after budget, we have seen previous governments overlook the needs and the demands of our communities. We have seen previous governments make light of our concerns by promising the world during election campaigns and then ignoring the needs of rural Canada in the years to follow, choosing rather to focus their effort and spending on sponsorship initiatives to buy the next election. Not only did they not reinvest in rural communities, but rather, they stole money from hard-working families in rural Canada to pass around in brown envelopes to buy influence among some of the country's most wealthy.

I am pleased that we finally have a budget that delivers the goods to communities like my own.

I am very supportive of the announcement in the budget for farmers. For too long, our farmers have been overlooked, overburdened and misled by the previous government. In his first act as minister, the Minister of Agriculture moved to expedite the payout of \$755 million to grains and oilseeds producers. Yes, that was good news, but the budget provided much more.

In the budget, the Minister of Finance not only announced that we would meet our campaign commitment to give the industry \$500 million, he announced that we would triple that investment. We not only lived up to our commitment; we did it three times over.

This budget has so much good news for farmers in the specifics, but one of the most important things the budget provides for our farmers is a positive vision for the future. Producers in my community have been looking for a government that will stand with them to help rebuild the industry to ensure that farming will be a viable option for generations. That is exactly what we have done.

As I have travelled my constituency, I have seen the effects of the red hot Alberta economy and the resulting increased growth and the demands on our communities. I am pleased to see that this government takes seriously the additional needs this change creates. This budget provides an additional \$2.2 billion over five years to the municipal rural infrastructure fund. This fund will allow communities to provide better highways and cleaner water and to create an overall better place to live.

●(1300)

Also in my travels, there has been much discussion about our commitment to provide child care assistance to parents by way of a payment to those with children under the age of six. This budget provides a benefit of \$1,200 a year for every family in Canada with children under the age of six. This will allow families to choose how to provide child care for their children rather than having the government dictate what is best for their children. This budget will create over 100,000 new day care spaces for children.

The previous government had suggested that it was building a national child care program but how can it be considered a national

child care program when it leaves out entire regions, regions like my own? Children in my constituency deserve a head start as well.

Like so many other promises the previous government made, it took the Conservative government to see real, universal action.

Many of the communities in my constituency are rural. We have no access to institutionalized day care. Many of the working families in my community work shift work, part time work and seasonal work. Fathers are going in one direction and mothers are going in the other direction. It is just not possible to provide a cookie cutter system of service for people in my constituency for child care.

Residents have been telling me that they are tired of contributing their tax dollars to services to which they have no access. This government wants every child to have a head start. We will not play a game of choosing winners and losers based on where parents live and what they do for a living. Every child is important and every child deserves a head start. We promised a child care benefit in our election platform and again here we deliver.

Speaking of promises, the previous federal government had promised and promised again that it would make changes to the GST. Thirteen years later, it took our government and our leadership to finally reduce the GST. This change will benefit all Canadians and put money back where it belongs, in the pockets of Canadians.

There is more. This budget also benefits the businesses across Canada and in my community. Small and medium sized businesses employ over 58% of all Albertans. These businesses will see tax changes that will help them grow, develop and employ more Canadians.

The government is committed to Canadians at home and at work. At the end of the day, this budget is about families, families that have been overlooked, overtaxed, overburdened and underappreciated by our previous government. We have turned a new leaf and once again are appreciating and respecting the hard work of all Canadians.

Once again, I am pleased to stand in support of this family friendly, farm friendly, rural friendly and Canadian friendly budget, of which I hope to see many more.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I hear the words "\$1,200 benefit", "choice" and "universal programs" but where is the choice for parents who have to work and there are no places to leave their children?

Housing in my city of Victoria is so expensive that it is difficult, even when there are two parents, for one of them to stay at home. I do not see the choice there and I am wondering if the hon. member would tell me where the choice is for parents in those circumstances.

●(1305)

Mr. Chris Warkentin: Mr. Speaker, I certainly count it as a privilege to serve in this House alongside the hon. member.

The Budget

Her question was about choice and where there is no choice. I will tell the member that there was no choice in the proposed Liberal program that was cast as a universal benefit to all Canadians. There was no choice for people in my constituency. Many people in my constituency live in rural areas. We have farmers and loggers and many people who work shift work, seasonal work and all different types of work. The program that was being presented by the Liberals offered absolutely no benefit.

When the member talks about no choice, I would again reiterate that the previous program and the programs that we have seen in the past provided absolutely no choice for people in my riding. This program of \$1,200 per child per year will at least assist families in providing choices that otherwise would not be available.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, I wonder whether the hon. member actually understands the number of dumb choices that were made in the budget. Does he actually understand how dumb the GST cut is? Does he understand that over the panoply of tax relief measures that could have been chosen, the GST cut is probably the worst?

If he were to look at the material from the Department of Finance for more than five seconds he would realize that the choice the Conservatives made is anti-productivity and anti-prosperity. Does he realize how dumb the choice is with respect to transit passes? Ninety per cent of the money will go to the people who already use transit. The government is not improving the transit infrastructure of the nation.

Does he realize how dumb the choice is with respect to the athletic money? Why is it that athletics is preferred over cultural activities? I have a daughter in swimming who will benefit from that, but my daughter in music will not. Why does the budget make so many incredibly dumb public policy choices?

Mr. Chris Warkentin: Mr. Speaker, I certainly appreciate the opportunity to sit with the hon. member as well.

I am glad the member used the word “dumb” because I would like to talk about the dumb things we saw in the previous administration. We saw good money being spent on a sponsorship situation. I do not want to get into it simply because it has been reiterated and continued on but the sponsorship program was one dumb thing.

People in my constituency know that the gun registry was a completely dumb situation and the billions that have been spent, misspent and misappropriated under the previous administration are truly dumb.

I just cannot think of what we could have done and the benefits that Canadians could have seen if that money had been placed in positive places rather than in the dumb spending that we saw under the previous administration.

Hon. John Godfrey (Don Valley West, Lib.): Mr. Speaker, I will be splitting my time with the member for Labrador.

There are two very curious aspects to the budget and some have just been referred to recently by my hon. colleague from Scarborough. The first is a total confusion between what I would understand to be a true Conservative philosophy of libertarian laissez faire, small government versus, in the same budget, social

engineering, economic meddling administrative burdening and inefficient fiddling.

The second further fundamental confusion is about the very purposes of society itself, the functions of a state and the limitations of individual actions in effecting change.

Let us begin with the inherent contradiction of the budget. On the one hand, we are told that the purpose of tax cuts is to put more money in the hands of citizens and businesses, to increase freedom of choice for citizens and businesses and to reduce the heavy hand of the state in making social and economic choices.

On the other hand, there are many examples in the budget of tax policy where the state is clearly, as my colleague from Scarborough said, acting as a nanny, a know-it-all, a bossy-boots and an unrepentant, economic dirigiste.

[*Translation*]

A real expert on everything.

● (1310)

[*English*]

Let us take the case of children and families, as the hon. member for Peace River has just done. On the one hand, we are told that the \$1,200 taxable annual child allowance for children under six is all about freedom of choice for families in making child care arrangements, although of course parents do not have to spend a cent on child care to get the money.

How many times have we heard the words, “There are millions of experts whose names are mom and dad” in justifying parental freedom of choice? But wait, the government is also providing a \$500 tax credit to cover registration fees for children’s sports. What if mom and dad would prefer piano lessons, dance lessons or art classes for their children? Nope, father knows best.

The bossy-boots federal government is now dictating to parents which extracurricular activities are worthy for their children and which are not. What happened to freedom of choice? How come mom and dad are experts in child care but raving incompetents when it comes to after school activities? If the government can give \$1,200 without condition, why can it not give another \$500 for children under 16 years of age without conditions and let parents decide how to use the money? Why create an additional paper burden with proof of payment for swimming lessons?

Beyond this selective social engineering, this “we know best what’s best, we know what is best for families when it comes to sports”, a similar attitude prevails in singling out certain economic sectors for special treatment. We just have to look at the fiddling around in selected industries, such as jewellery, wine produced by small vintners and beer produced by small brewers. Since when, under classic conservative philosophy, is it the duty of the state to micromanage microbreweries? When did the state decide that small vintners are better than big vintners?

The Budget

Todd Hirsch, economist for the Canada West Foundation, said that the budget neither reduces the size of government nor simplifies the tax system, nor represents a return to more sound economics, criticism echoed by John Williamson of the Canadian Taxpayers Federation.

If the budget is full of inconsistencies from a classical conservative point of view, it also fails the second test: understanding the respective roles of the individual citizen and of the state in the modern world.

Let us examine three cases, two of which we have previously considered. Child care and early learning is a good example. The national child care and early learning strategy of the previous Liberal government had the ambition of creating a major social system, like the public education system or the public health system. A government cannot create a major social system with tax breaks for individuals alone. It is the role of government, for example, to build and run hospitals, to build and run public schools and to build and run early childhood learning and care systems for those who need it. There is only true choice when the public system is available. No one would talk about choice in education if public education were not available as well as private or charter schools.

[*Translation*]

My second example is the \$500 credit for costs related to physical activities for children.

Children may have the best equipment available but without an arena, a park, a community centre or a public swimming pool they cannot engage in their activity. Once again, there are no options for taking the place of the government when it comes time to provide public infrastructure.

This is why, during the last election campaign, the Liberals promised to create a \$350 million fund in order to generate a total investment of over \$1 billion, including the contributions of municipal and provincial partners, to put in place the Community, Sport and Recreation Infrastructure Fund.

• (1315)

[*English*]

My final example is public transit. The Liberal approach was to use three separate funds: a renewed strategic infrastructure fund; continuing gas tax money; and a special two year \$800 million transit fund to build new public transit systems. This budget reduces the total of those commitments to building public transit and substitutes a tax credit for transit passes. A tax credit for transit passes, as transit operators have noted, do not build new subway lines or purchase new buses. It creates greater demand on existing systems, but builds no new capacity.

Once again, favouring individual transit users is not a substitute for direct government intervention in favouring and building new capacity for public transit.

There we have it, a budget which is schizophrenic, which speaks in one breath of putting money back in the pockets of taxpayers and giving them freedom of choice and in the next, starts bossing them about, dictating choices to parents and singling out certain industries for special treatment over others.

Finally, it is a budget which fails to understand that there are some things which individual taxpayers cannot do and which society and governments must do, such as building public transit systems, building public recreation facilities and building a public system of child care and early learning.

[*Translation*]

Mr. Luc Harvey (Louis-Hébert, CPC): Mr. Speaker, I listened to the speech of my hon. colleague on the other side of the House and I have a question for him.

He spoke about daycare and the federal program we had before. I would like to remind my hon. colleague that the Liberals' proposal for Quebec was \$1.25 billion over six years, or about \$208 million a year. The various early childhood centres or CPEs in the great province of Quebec take 200,000 children. The subsidy per child was therefore \$1,040, while our proposal is for \$1,200.

Second, in addition to these 200,000 children, another 230,000 do not go to day care in a CPE. Either they stay with relatives, their mother or a family member, or they use an alternative care system. So our program covers 100% of the children and provides an additional \$160 over what was originally promised. That makes it very flexible.

I want to raise a final point before asking my question. In his or her first year, about one child in six goes to a CPE, while the other five children stay with their relatives or their mothers, who can get parental leave or something of that kind.

So when talking about fairness, what is my colleague referring to here?

Hon. John Godfrey: Mr. Speaker, we have taken as our model, and even our gold standard, the child care system in Quebec. We have seen that when there is a real choice, as in Quebec—the member across the aisle knows very well—parents want a system based on the CPEs. There are waiting lists for the Quebec system.

The Quebec system is the model in North America that we would like to have for the rest of Canada. That is why we wanted to support and salute Quebec's pioneering efforts in this area.

When Quebec instituted its system of CPEs and daycare centres, it gathered up all the little funds that existed and created an integrated system based on the CPEs. At the same time, these centres are surrounded by other child services, other family services.

It was to strengthen the Quebec system and not break it up that we supported it and recognized it as the leader.

• (1320)

[*English*]

Mr. Charlie Angus (Timmins—James Bay, NDP): Mr. Speaker, when we look back at the Liberal record, it is like looking in a fun house mirror. We are supposed to look at something that is narrow in terms of what it has delivered and we are supposed to think of it as wide as the ocean.

The Budget

I was stunned to hear the member's view of the role of government. The former government downloaded the debt onto the backs of students across Canada. We have a situation now where students come out with \$40,000 worth of debt from their university educations because the former government made no commitments to post-secondary education. It downloaded the debt onto municipalities year after year while it accumulated the surplus. It did nothing except make promises in the red book, but it never delivered upon it.

We have heard the talk about what the Liberals achieved at Kelowna. I remind the former government about the years of neglect as the surplus rose. We have no national water standards on first nations. There are no health standards. There are no education standards, except those that have been deliberately pegged lower than non-native schools because the former government did not want to pay a single dime above what it absolutely had to for first nations, while it was swimming in surplus dollars.

How can the hon. member stand there without blushing when he makes such outrageous comments on what the current government's obvious lack of vision is compared to his government's lack of vision?

Hon. John Godfrey: Mr. Speaker, I will respond to the hon. member from Timmins on the specific points he raised. On access to higher education, we created the millennium scholarship fund, which had that precise objective in mind.

During the last electoral campaign, we put forward the fifty-fifty proposition where we would pay for 50% of tuition fees in the first year and 50% in the last year.

Thanks to us, municipalities got the GST rebate. In the last five years they received \$5 billion for their infrastructure funds, for strategic infrastructure, for border infrastructure and for municipal and rural infrastructure.

We also delivered, in the previous regime, the gas tax money that was a further \$5 billion to municipalities. Had we been re-elected, we would have increased the strategic infrastructure funds by \$5 billion over the next five years. We were building on a record that we had already established.

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, first, at the start of my first full speech in this session of Parliament, I want to thank the wise, hard-working and kind people of the big land, Labrador, for the confidence they placed in me this last election. It is a tremendous responsibility that I have been given, to represent the full diversity of Labrador, the Metis, Innu and those who have made Labrador their home.

We were hoping the new government would live up to at least some of the promises it had made to us in the past two Labrador election campaigns, but we were sadly disappointed.

Let us sit back and view the budget and the government's record so far through a different lens.

During the election campaign this past winter, the Prime Minister wrote a letter to Premier Danny Williams, outlining a whole raft of very specific promises to Newfoundland and Labrador. The Prime Minister's letter covered many issues: retraining of fisheries workers; coastal custodial management of the fisheries outside 200 miles; a

loan guarantee to develop the Lower Churchill; equalization reform; cost-sharing the completion of the Trans-Labrador Highway; a whole series of very specific promises to 5 Wing Goose Bay; and all kinds of other goodies.

Not one of these issues made it into the government's woefully thin Speech from the Throne. Not one of these is in the five priorities on which the government is focusing. The Prime Minister has forgotten his written promises to the people of Labrador and, indeed, the entire province.

Let us start by looking at fisheries.

The fishery, the backbone of the economy in the coastal part of my riding, is in crisis. Help is needed and it is needed now. The Prime Minister's letter promised to look at retraining fisheries workers. Setting aside the question of retraining for what, the budget is silent on this subject.

Our regional minister, the Minister of Fisheries and Oceans, was in the media a few weeks ago, saying that the Prime Minister was even willing to reconsider on the issue of an early retirement program, cost-shared with the province. Is that in the budget? No. This government simply does not view this as a priority.

The Prime Minister promised to extend Canadian jurisdiction beyond 200 miles to implement custodial management immediately and unilaterally. It was a bold promise, bait designed to hook the electors. Some people may have bit, but our nets are coming up empty. The Prime Minister did not back it up with even a dime.

Similarly, the Prime Minister and the very quiet Minister of Fisheries and Oceans were very loud when they appeared during the election campaign in Petty Harbour. They promised joint management of the fisheries between the federal government and the coastal provinces that wanted it. Again, not a dime.

I am very concerned about the budget for small craft harbours. Will the necessary funds be there to carry out vital work at fishing ports in my riding? I have heard that millions are to be cut from the small craft harbours budget. The government needs to come clean on this situation.

Still within fisheries, the commitment that the Liberal government had made to beefing up the Coast Guard's presence in Labrador, stationing a vessel in Goose Bay and increasing surveillance and hydrography in coastal Labrador has all been wiped off the table by the new government. Who spoke at the cabinet table for our interests when these projects were put on the chopping block and the hatchet came down?

On defence issues, the budget proves two things. First, the Conservatives overreached with their election promises. Their defence platform was grounded in strategic considerations: which ridings did they think were strategic, rather than which strategic considerations would shape our defence policies. Second, the Conservatives had no intention of keeping many of their promises.

The Budget

As a senior defence official once told me, the hon. member for Carleton—Mississippi Mills, now our defence minister, was writing cheques with his mouth that he could not be cashed. That has been proven right.

The Conservatives promised, and I am quoting directly from their own campaign literature, “a Conservative government led by the Prime Minister would ensure the employment at CFB Goose Bay does not decline and encourage increased flying training operations at CFB Goose Bay”.

In his letter to the premier, the Prime Minister said that his government, “will also maintain a foreign military training program at 5 Wing Goose Bay and actively encourage increased allied flying activity”.

They have a funny way of fulfilling these promises.

I have spoken in recent weeks with several former base employees, former because since the Conservatives came to power, they have lost their jobs at this facility. Only in Conservative math could fewer employees equal employment not declining.

• (1325)

On the flight training file, the Conservatives have encouraged increased flight training by cancelling a major flying exercise scheduled for this year. They have killed the funding for ACMI pods and mobile threat emitters, a \$25 million investment that the Liberal government was solidly committed to. It would have significantly boosted Goose Bay's status as a flight training centre. It has been cut by the Conservative government. It is off the table.

The Liberals had put \$5 million toward aggressive marketing of Goose Bay as a flight training centre. Guess what? This is yet another of the reallocations and cost savings that the Conservative government has made in order to pay for its political program.

Not only are the Conservatives renegeing on their promises to keep allied air forces at Goose Bay, they are backtracking on their promises regarding Arctic sovereignty. The Conservatives promised to make Goose Bay an important point for exercising Canadian sovereignty in the north. A year later they were making the same promise to just about every base in the country and for the same reason: to win votes.

Now we see the real extent of the Conservatives' supposed commitment to Arctic sovereignty. The Arctic deep water port that was to have been a component of this promise has been cancelled. Our existing military infrastructure at Alert has been downsized. Half the personnel are to be cut. Less than a year after promising the rapid response battalion as a special arrangement for Goose Bay, the Prime Minister promised rapid response battalions for almost every province in the country. The budget is also silent on the unmanned aerial vehicle squadron that the Conservatives promised as well.

This is not a defence policy. This is a political chicken in every political pot, as it were. One hand takes it away and the other hand does not give it. It is like that commercial: Rapid response battalion? Millions of dollars. UAV squadron? Millions of dollars. The value of a Conservative defence promise? Worthless.

On equalization, this budget thankfully reveals the Conservatives' true colours. In the past few months the Minister of Finance and the Minister of Intergovernmental Affairs have both made snide and disparaging comments about the Atlantic accord agreements reached last year with my province and Nova Scotia.

In the Conservative budget papers the truth emerges in the form of a direct attack on the Atlantic accords. Is the government really committed to the principles in the Atlantic accords? How can the Conservative members from Newfoundland and Nova Scotia continue to sit within a government that has blatantly attacked the same deal that they were supposedly all in favour of just a few months ago?

This budget is also silent on the Trans-Labrador Highway. The premier has said that the Prime Minister in a January letter agreed to cost share the completion of the Trans-Labrador Highway on a fifty-fifty basis. I would point out, of course, that the federal government during Liberal administrations had put almost half a billion dollars into the Trans-Labrador Highway. If the province had matched federal Liberal contributions, the highway would have been done years ago. However, the Conservatives still have not put that election pledge into action, not in the throne speech and not in the budget.

On aboriginal issues, the Conservatives have torn up the Kelowna accord. The Liberal government budgeted over \$5 billion to meet our commitments to first nations, off reserve, Métis and Inuit peoples. The money would have gone toward health, housing, safe water, education and other important initiatives to bring aboriginal living standards up. It was historic and our people were looking forward to the benefits. Instead, this budget offers a pittance for the Innu and Inuit and absolutely zilch for the Métis who face the same challenges in respect of housing, drinking water and other issues that the Kelowna accord was going to tackle.

Last week the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development dismissed the Kelowna accord as nothing more than a press release. The government says it will meet the Kelowna targets, but without the Kelowna funding. It has replaced the Kelowna accord with the Conservative bologna accord. It is bologna and the members opposite know it. This is a disgrace. It is a major setback for aboriginal Canadians. It is time for the government to honour the deal signed in Kelowna.

All in all, this is a budget that favours the wealthy. It benefits people who do not need the help and does not help the people who need the benefits. This budget leaves a lot of unanswered questions. What programs and services are going to be slashed? How will my constituents be better off when the Conservatives raise their income taxes?

This budget, like Conservative policy generally, leaves rural areas of the country out in the cold. It turns its back on the most needy and vulnerable in our society.

For all these reasons, I cannot support this budget.

The Budget

• (1330)

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, I am wondering how the member could say that the budget does not address the problems of Newfoundland and Labrador.

Surely the member is impressed with the tax relief and the infrastructure spending that we see in the budget. Does he not agree that the tax relief in the budget gives the people of Newfoundland and Labrador an extra \$124 million per year?

The people of the province will pay \$124 million less in taxes in 2007. The \$1,200 per child per year will put \$33.7 million in the hands of his constituents and my constituents. The budget will provide the provincial government with an additional \$2 million for health care, bringing it to \$352 million in health care spending in 2006-07. The province will also benefit to the tune of \$54 million in extra equalization payments, bringing the total to \$687 million in equalization payments each year.

For seniors the budget honours the election commitment to go from a \$1,000 to a \$2,000 deduction in pension income. This move will benefit 2.7 million taxpayers and will remove 85,000 people from the income tax rolls.

Then we have the commitments that the federal government has made to 5 Wing Goose Bay, which happens to be in the hon. member's riding. Is he saying that the government has fallen short on its commitment to 5 Wing Goose Bay?

I am astounded that the member could stand in the House today and make that kind of a statement with regard to this budget, when the people of Labrador are benefiting so much from this budget. How could he make that statement?

• (1335)

Mr. Todd Russell: Mr. Speaker, with all the supposed benefits the member talked about, it is quite interesting that the provincial minister of finance said that what was in the budget was negligible in terms of its benefits to the people of Newfoundland and Labrador. The provincial minister said that it would not make much of a difference at all to the people of Newfoundland and Labrador.

In fact, what we see in the budget is that taxes will rise, particularly for low income people in our communities. The taxes will rise by .5%. I do not see that as a benefit.

We can talk about 5 Wing Goose Bay, but where is the money for our Coast Guard vessel? There was \$96 million on the chopping block when the hatchet came down on it, \$25 million for threat emitters and ACMI pods, gone; \$5 million for marketing and this is for Goose Bay and for Labrador, gone; \$20 million in the ACOA diversification fund, cut, slashed. If he calls that good for the people of Labrador, I would be astounded at how he would arrive at that particular logic. There are aboriginal people who would benefit from the Kelowna accord. That is gone.

As we say, it is baloney that the member would even rise in the House and try to make a mountain out of a molehill of benefits.

Mr. Jim Abbott (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, I never cease to be amazed at the very short memory of my Liberal friends. The member has forgotten that it was the Prime Minister, the then leader of the

opposition, who proposed the Atlantic accord. It was the member's prime minister who said that he would match it. Then when the Newfoundland premier said to get on with it, the then prime minister said no. It was only through the pressure on the Liberal government by the Newfoundland and Labrador members of the Conservative Party that the prime minister finally went ahead. The member has a very selective memory.

Mr. Todd Russell: Mr. Speaker, I do not have a selective memory at all. I remember very clearly it was the prime minister at the time, the member for LaSalle—Émard, who did the deal. It was the prime minister at the time who signed the Atlantic accord.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I will be splitting my time with the member for Victoria.

What a joyful and perplexing scene it is for many Canadians watching the Tweedledum-dumber debate going on day after day in this House where one party accuses the other of playing fast and loose with the memory and the record and the other just accelerating the direction of that record.

It is an extraordinary challenge to address a budget that is faulty in so many different ways, particularly when it comes to the west coast and particularly when it comes to the environment.

It is rather easy for opposition members to get up and simply criticize, as that is our role. I know the government appreciates our being able to have open, honest and frank debate in this House, a crashing together of views so that Canadians are better served by the best views coming forward. When I look at this budget, I have to wonder exactly whom the government was listening to when it made some of its most critical decisions.

Allow me to start on the west coast. Allow me to throw some small credit for the continuance of the Pacific gateway strategy, although for some reason it is being stretched out over a further amount of time with still no concrete items to be spent on. We have deep concerns about what type of committee and process will be used to make the decisions that are critical to the infrastructure of the west coast, particularly in the northwest. The area that I represent is the new Pacific gateway in Prince Rupert. The prospects for that container port are absolutely astounding. Members across the aisle have approached me regarding grabbing on to this project and becoming a part of something that is going to be very significant.

With respect to the aboriginal file, my riding is made up of more than 30% first nations, some of the strongest communities and nations in our land such as the Nisga'a, Haida, Wet'suwet'en, Tsimshian, Haisla and others. These communities represent the absolute cultural and historical backbone of my region. After many months of deliberations and after more than 12 years of stalling and delaying on the part of the previous government, we finally arrived at an accord that lo and behold all the provinces could agree with. I was at the signing of that accord. It was a moment that even the current Minister of Indian Affairs marked as historic and important, only to turn around and have it destroyed within mere months.

The Budget

It is discouraging because of the astounding poverty and the astounding cultural erosion that we see taking place in our first nations communities, not just in my riding but across the entire country. The sense of urgency on this file can no longer be ignored. With respect to the playing of partisan politics between those two parties, I say a pox on both houses for having so long ignored the plight of aboriginal Canadians who, in my experience, display the greatest sense of generosity and forthrightness. In my region they always deal in good faith when dealing with the government, even though over decades their faith has been misplaced.

Some money has been set aside to deal with the pine beetle epidemic that has raged across British Columbia, and I applaud the government for that. The question now becomes how it will be spent and by whom. Many of the largest forestry companies in my region are turning their most significant profits in their entire histories and they are looking to do replanting and road deconstruction projects, which frankly is outrageous.

The government finds it most significant and important to invest in the regional economic development that our communities need. For Houston, Fort Fraser, Fraser Lake, right across all of British Columbia, we need to plan for the future and actually make some serious investments. I see the budget commitment as a first step, but only a first step.

We went through one of the most tragic years in our province's history two years ago with forest fires. The prospect of more intense forest fires is increasing. Forestry councils came to us here in Ottawa. My colleague from Windsor will know this. I specifically identified climate change as one of the leading economic threats to the forestry industry in Canada, not only with respect to forest fires but also with respect to the pine beetle. Connections have now been made between the economy and the environment.

I can remember addressing the former minister of the environment from the Liberal Party about the outrageous increases in pollution that were going on under that party's watch. At one point in this very chamber he said that our economy has grown and there will just have to be a lot more pollution. What an astounding admission, finally revealing the true intention and the true philosophy of a government that believes that economics and the environment cannot be married, cannot be put together for mutual benefit for each of those categories and for all Canadians.

• (1340)

When it comes to the environment, this is an increasingly important topic that is again gaining interest in the minds of Canadians and in public discourse. I almost want to open a counselling service in my office for the environmental and progressive industry groups that are coming by, absolutely stunned at the destruction and the wanton acts the government has done when it comes to key environmental investments that are needed.

Investments is the word we need to use in this place when understanding the role of government when it comes to the environment. There is a short term political strategy by this party that is going to lose time and cause long term pain and costs, not only to government but to society right across Canada.

I have two last points about my region before I get into the environment. It is an issue that can absolutely absorb me. The west coast and many parts of Canada have been calling for, and I know Quebec has been calling for a long time, a fundamental reform of the EI fund. This slush fund was used by the previous government to shuffle billions of dollars around. Many Conservative members have said that this was deplorable, that the actions were inexcusable and should be stopped immediately. Then they get into government and make absolutely no fundamental reforms when it comes to EI and get support from the Bloc. That is confusing.

When it comes to the west coast fisheries, it is absolutely crying out after one of its most desperate seasons on the water. Prices are down, cost of fuel is up, insurance is through the roof, and DFO plays a role that is counterproductive to the fleet and to private fishers across the province. There is nothing in the budget.

The government found \$10 million to support fish farms on the east coast without even much mention or notice. It was a little slip in the budget speech, yet there is absolutely nothing for the west coast, when the fleet has been reduced by 75% in my region over the last five years and is faced with a further crunch of a similar value. We know the value of wild salmon in particular to the people of Canada.

Regarding the budget and the environment, the two shall never meet under the purview of this government. Thankfully, it picked up the \$900 million from the NDP budget and put it toward some infrastructure, when it comes to public transit. It is welcome and we expect flowers, maybe chocolate would be nice, but that is fine. We will just take the positive action. That is what the NDP is about, in pushing for strong and significant environmental actions.

Outside of this there was a small investment to help people get on the bus, but it has been absolutely discredited as the best bang for the buck. In the government's own budget documents, it talks about using taxpayers' money wisely and in the most efficient way to achieve the best results, yet when we look at the environment, it has chosen a method that the Suzuki Foundation, the Canadian Urban Transit Association and the Sierra Club have all said is not the best bang for the buck, when it comes to reducing the pollution that we cause. It will not get people out of their cars in the way that the government pretends or imagines.

Once we step outside of the public transit debate, which has some merit but not the consequential effect that we are looking for, what are we left with? The silence is deafening. When it comes to climate change, we have essentially lost yet another year on this most critical issue. It is showing up on the pages of *Maclean's*, the front pages of *The New York Times*, and across our communities. People want something done about this.

The Budget

What did the government of the day do? It cut \$1 billion, with little or no analysis and certainly no public disclosure at all, for home retrofit programs, for low income seniors, and for fundamental things that we know work and are cost effective. The government has turned its back. It had some notion of a made in Canada plan. We have had no plan presented and yet more than a year ago in this very place, the then environment critic for the Conservative Party of Canada said that her party had a plan. Her party was just not going to show it to us in case we might steal the ideas. A year later, we are being asked to wait more.

When it comes to the environment, there is no more significant tool than the budget. The message that the Conservative Party of Canada has sent to Canadians is that the environment simply does not matter, that the environment can wait again while the Conservatives go out for short term political gain and cause us long term pain.

• (1345)

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I rise to congratulate my colleague on his speech. We have seen many efforts over the last number of days to draw attention to some of the cuts that are coming in the environment section in this budget period. My concern is that the government is taking a consumptive approach in its outline. It is anti-conservation in many ways. The solutions that are being proposed are not the solutions that are going to really make a difference in this economy.

How does the member see this budget addressing those issues of conservation? How can the budget possibly make a difference to Canadians in that regard?

Mr. Nathan Cullen: Mr. Speaker, I know there are a few regions in the country that are feeling the impact of environmental destruction more than his region. We see the ice roads over the wintertime, we see the effects on the caribou herds and the subsistence living that many people in his region survive on and are a cornerstone, I would suggest even an icon for Canadians living across this country. We are, as the famous Quebec song notes, not a country but a season, a winter.

Yet when we look at the actions of the previous government, the numbers simply do not lie. It will always trump the announcements, the confetti and the pretty documents and dossiers. The numbers, when it comes to pollution under the previous Liberal regime, were absolutely outrageous.

The Conservative response to that was to do little or nothing. There is no prospect in the budget that we see to alleviate the problems or reverse the trend in any significant way what we are seeing in my colleague's riding of Western Arctic, the smog days that are experienced in Ontario, Quebec and across the country, and the absolute dramatic increase in smog that we have seen. There is nothing of significance in the budget to alleviate that.

Canadians are being asked to wait again. So much for the changing of the guard. It is business as usual and perhaps a little accelerated but in the wrong direction.

It is at a time when Europe and Texas, for heaven's sake, come to us and talk about their energy plans and the ability that they have to make more consistent green energy projects come to life. We are

embarrassed in this country. We have absolutely failed the Canadian people in this respect. A river of opportunity is flowing by to increase our productivity and our competitiveness has failed us. The budget has utterly failed Canadians in this regard.

• (1350)

Hon. Robert Thibault (West Nova, Lib.): I am surprised, Mr. Speaker, that the member would vote against the budget. This budget should be a lot less conservative than what he should have guessed would be coming when he supported the election of the government, and when he voted in a motion of non-confidence.

When he and his party asked for the lend a vote campaign, knowing that it would put a Conservative government in power, he should have known that there would be a neo-conservative budget. The member should be amazed that the budget did not go further to the right. He should ask the question like I do: what happened to the Conservatives' flat earth society in their flat tax and when did they come to this convoluted system of tax credits, tax breaks and tax manoeuvring, and abandoned that simple flat tax principle that they had?

It is not that I supported it, but obviously the member did because he participated in the election of the Conservative government. He should wonder when it was that the Conservative leader realized, with his core western support in this country, that he could not, under the Reform Party, fight Brian Mulroney. He realized that he had to get his instructions from Mulroney and Harris, and form a government in the image of Mulroney and Harris with all his key people in those key positions. The member should not be surprised at all.

Mr. Nathan Cullen: Mr. Speaker, the DaVinci code of the Liberals continues. There are conspiracies under every rock. While I know the member does not, to his constituents or to me or to others, present the arrogance of the notion that somehow the Liberal Party is entitled to the seat of power in this country, it is amazing to me how much credit and power the Liberals have allowed the New Democratic Party, with 19 seats in the last government, to be able to tell Canadian voters that the Liberals were in fact inherently corrupt and had mismanaged the files for so long. I thank the member for the accolades, but I think he might be mistaken.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I see that I may have to do this in two parts.

I came to Ottawa to stand up for the needs and priorities of Victorians. Today I stand against this budget because it fails the people of Victoria in many important ways. I will focus on three of these: post-secondary education and skills training for which I am the critic, housing and the environment.

A budget is a tool used to achieve practical ends. How much is allocated to one line item reveals how much that item is valued. Conservative budgets show what ends Conservatives want to achieve and they are not the ends that even Conservatives acknowledge that Canadians want.

Statements by Members

●(1355)

[Translation]

The Minister of Finance states in his own document, and I quote: “There is also a clear consensus among Canadians on the importance of support for health care, post-secondary education and training, and infrastructure”. He also says that Canadians must have access to “affordable, accessible and high-quality post-secondary education and training”.

This budget offers a bloodless version of those fine words, although we do have to acknowledge that this budget is an improvement over the Liberals' do nothing model, because this government has finally taken steps to support education and training.

The tax incentives and grants to promote training and learning are a good start, as is the move to exempt bursaries from federal income tax.

However, in the global race for the knowledge economy, the new economy, the government has stumbled at the starting line.

[English]

My party proposes a national, concrete, long term strategy that recognizes that the level of skills required in most sectors will reach new heights and our economic prosperity of the future rests on those skills. Included in the NDP strategy to start would be a recognition that skills training is required throughout one's life by using the employment insurance system, for example, to support retraining and skills upgrading programs including soft skills like language training that many members in the House have benefited from. A lifelong learning strategy would finally reinvest in our college and university students, and improve access to education.

In this budget there is no increased financial support for students. Instead, the government makes it easier for students to start their working lives with larger debt loads than ever before. This is an administrator's budget where \$1 billion of the \$1.5 billion NDP budget intended to support the reduction of skyrocketing tuition fees was instead channelled toward university infrastructure, and an \$83 book allowance. That is maybe one textbook. This budget shows the finance minister is out of touch with the real costs of a college education.

[Translation]

There is a very broad consensus among Canadians across the country that there should be a transfer specifically for post-secondary education. I would even add that this is part of the Conservatives' electoral platform. Where, then, is this transfer?

The Minister of Finance recognizes that keeping funding for post-secondary education in the overall cash transfer envelope poses a problem, but he is doing absolutely nothing to change this deficient process.

How will Canadians be able to clearly see what the provinces are doing with federal funds for education and training? This makes no sense, coming from a government that supposedly promised transparency.

[English]

This Conservative budget falls far short of actual student needs and it skirts around another issue critical to my city's future, to Canada's future: affordable housing.

[Translation]

The Acting Speaker (Mr. Royal Galipeau): It being two o'clock, we will now proceed to statements by members. The hon. member will have five minutes left when debate resumes.

STATEMENTS BY MEMBERS*[English]***AGRICULTURE**

Mr. Brian Storseth (Westlock—St. Paul, CPC): Mr. Speaker, farmers are hard-working people who, by the very nature of their profession, need to plan ahead.

As farmers plan for the future today, they have more reason for optimism than they have had for a very long time.

The security of our farm families is a concern of the government. We are acting to respond to the challenges of today while we work to ensure long term stability.

We are moving forward to replace CAIS with a program that separates disaster relief from income stabilization, but in the meantime we are making the program simpler and more responsive to the needs of our farmers.

In the budget we tripled our original commitment and are investing an additional \$1.5 billion in our agriculture producers this year.

The government is working with our producers to build a road map of our agricultural future to help provide the security that our farm families deserve.

The planning and hard work of the government gives our farmers plenty of reasons to be encouraged.

* * *

●(1400)

LAKEHEAD UNIVERSITY THUNDERWOLVES

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, I rise today to congratulate the members of the Lakehead University Thunderwolves, the 2006 Ontario University Athletic Men's Hockey champions.

Following their Queen's Cup win to become the central division champions, the Thunderwolves travelled to the CIS National University Championships in Edmonton where they fell one goal short of the national championship.

I offer my sincere congratulations to coach Pete Belliveau, captain Joel Scherban and the entire team and coaching staff.

Statements by Members

In only five seasons, the Lakehead University Thunderwolves have risen to the top of the men's university hockey scene. In that short time they have set home game attendance records and have earned the support of all of northwestern Ontario.

I ask all members to join me in congratulating the Lakehead University Thunderwolves.

* * *

[Translation]

DÉFI SPORTIF

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, the 23rd edition of the Défi Sportif was held April 26 to 30 at the Claude-Robillard sports complex in my riding of Ahuntsic.

Over 2,800 athletes whose disabilities were of five types—auditory, intellectual, physical, psychiatric or visual—came from 13 different countries. In all, 14 types of sports were involved during the five days of the Défi Sportif. Over 250 clubs and 30 primary and secondary schools took part. Over 800 volunteers and 350 trainers ensured the success of this unique event which, since 1984, has promoted a dynamic image of persons with a disability.

I took part in the awards ceremony at the 23rd edition of Défi Sportif and I must tell you I have nothing but admiration for the courage of the athletes and the generosity of the volunteers.

My congratulations to Défi sportif on the nobleness of heart, which is even a greater reflection on Quebec.

* * *

[English]

CITIZENSHIP AND IMMIGRATION

Mr. Bill Siksay (Burnaby—Douglas, NDP): Mr. Speaker, there are eight countries to which Canada will not return failed refugee claimants and others here without status because of the dangerous situation in their home countries. These people face lives on hold, lives in limbo, indefinitely. They can only work temporarily. They pay higher fees for education. Their access to health care is limited. For some, this has gone on for over 10 years.

Canada needs a program that allows them to get on with their lives as permanent residents after a period of three years.

Last year Canadians were shocked to learn that after over 20 years, 2,000 Vietnamese boat people were still in the Philippines, forgotten by settlement programs and without legal status. More lives on hold and lives in limbo.

Canada agreed to take 200 of these refugees but only 27 met the conditions imposed. Australia, Norway and the U.S. have done much more but 148 remain stranded.

Canada needs a special program to bring these 148 people to security and a future. Lives on hold, lives in limbo are not acceptable.

THE BUDGET

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, this government celebrated its 100 day milestone last week with a budget that brought tax relief to all Canadians.

TV jingles promote the fact that cars cost less in Wetaskiwin, but on July 1, they will be even more affordable when the GST is reduced to 6%. Rodeo fans celebrating Canada Day at the renowned Ponoka Stampede will pay less GST on their tickets.

Farmers and producers gathering at the Rimbey and Thorsby auction markets are relieved to finally have a government that is keeping its promises and delivering more effective disaster relief and farm income stabilization programs.

Soccer moms and hockey dads at rinks and sports fields in Lacombe are applauding the government for keeping its promise to provide a tax credit for registration fees for their children's sports.

Seniors in Rocky Mountain House are welcoming the budget initiative that doubles the amount of eligible pension income they can claim under the pension income credit.

Families in Eckville are glad to finally be trusted to make their own choices in child care.

The constituents of Wetaskiwin can look forward to tax relief and greater prosperity thanks to this government.

* * *

SHEELAGH NOLAN

Hon. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I rise today with a heavy heart to pay tribute to a memorable Nova Scotian.

Last Monday, Sheelagh Nolan of Halifax died after a long and tenacious battle with cancer. She was only 43.

She was integral to the political career of her husband, former Nova Scotia Liberal leader Danny Graham, although she was ill for much of his tenure. Despite her short life, Sheelagh touched many of us, as evidenced by the thousand people who attended her music-filled memorial last Thursday night.

All of us who knew Sheelagh remember her as a wonderful mother, wife and friend whose greatest joy was her family. Today her courageous spirit lives on in her three boys. She was a generous soul we will not soon forget.

I ask all members of the House to join me in offering our thoughts and prayers to Danny, Patrick, Andrew, Colin and all of the Nolan and Graham families.

Statements by Members

●(1405)

CANADIAN ATHLETES

Mr. Kevin Sorenson (Crowfoot, CPC): Mr. Speaker, this past weekend I had the privilege of attending a fundraiser in the community of Delacourt in my riding for Joshua Riker-Fox, a pentathlete striving to eventually compete in the Olympics.

The pentathlon is an Olympic event that consists of running, swimming, shooting, fencing and equestrian jumping. The Delacourt Community Hall was full of local supporters cheering on Joshua, pledging moral and financial support to him to accomplish his goal of reaching the Olympics.

Joshua Riker-Fox would be a tremendous representative for Canada. He understands that there is a lot of hard work ahead of him.

As much as we all love it, sport in Canada is more than hockey and more than the NHL playoffs. Canadian athletes in many sports train year round to maybe some day represent their country.

Our athletes inspire us. I am proud to represent communities that rally behind their local athletes.

I urge all members of Parliament to support our young athletes as they compete with the world. I know I will be supporting Josh.

* * *

[Translation]

JEANNETTE SANCHE

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, Miss Jeannette Sanche was born on May 6, 1906. She was the youngest of a family of 13 and worked for nearly 40 years for Canada Post. She was a very generous woman, especially with her 22 nieces and nephews, all of whom received from her their first communion outfit.

She was a member of the theatre troupe of her father, Wilfred Sanche: the Cercle dramatique de Hull, the first theatre troupe in the Outaouais region, founded in 1899. She is also the aunt of the late Guy Sanche, the beloved Bobino of the famous children's program.

Miss Sanche lived on the first street to have electricity in Hull, rue Papineau. She was one of the first residents of Hull to acquire a car and drove until she was 93.

Since moving into the Centre d'hébergement Champlain-Gatineau in 2005, she has attended most activities and continues to enjoy company.

The Bloc Québécois wishes you a happy centenary, Miss Sanche.

* * *

[English]

ARTS AND CULTURE

Mr. Norman Doyle (St. John's East, CPC): Mr. Speaker, I am pleased to welcome Ms. Anne Troake who is in the gallery of the House today.

The Speaker: The member knows that referring to the presence of persons in the gallery is not in order. He will want to comply with the rules in every respect.

Mr. Norman Doyle: Sorry, Mr. Speaker.

Born in Twillingate, Newfoundland. Ms. Troake is a choreographer, filmmaker, costume and graphic designer. Her documentary, *My Ancestors Were Rogues and Murderers*, will screen tonight in the auditorium of the Library and Archives of Canada.

This film, produced by the National Film Board of Canada, is the true story of the Troake family of Twillingate.

For the Troakes and many others in Atlantic Canada, a well managed seal hunt is essential to their way of life and survival. Because of their very public participation in the seal hunt, the Troakes have become the target of groups who stridently oppose the hunt.

We are pleased that the National Film Board is providing a forum for a view of the seal hunt that is not often reflected in conventional media.

Once again, I thank Ms. Troake for making this film and sharing it with all of Canada.

* * *

ARTS AND CULTURE

Hon. Robert Thibault (West Nova, Lib.): Mr. Speaker, earlier today I met a group of high school students from Bridgetown, Nova Scotia, and had the pleasure of listening to them as they gave a concert on the Hill.

They are in Ottawa thanks to the SEVEC program, a great federal program that I hope we will keep investing in. It cannot be replaced by tax breaks.

This group of talented young people deserve our congratulations and our respect.

A band is more than the sum of its parts. Each member has dedicated his or her time to learn their instruments and master the music. As well, they have learned teamwork and cooperation as each section works together to balance the others.

I would like to extend my sincere congratulations to every member of the Bridgetown High School Band and thank their parents and chaperones who gave up their time to make this journey possible.

* * *

●(1410)

SOFTWOOD LUMBER

Mr. Jim Abbott (Kootenay—Columbia, CPC): Mr. Speaker, the Conservative Party of Canada stands up for the Canadian forestry industry.

The hon. member for Humber—St. Barbe—Baie Verte, a former Liberal cabinet minister, made more national news criticizing the Conservative government's softwood lumber deal saying, of all things, that it is too good a deal. The member said:

If you are a B.C. or Alberta forestry worker, even though the softwood lumber agreement has just been signed with the U.S. and the industry's competitiveness has been renewed, you are getting \$400 million this year of a \$1.5 billion assistance package for workers and communities.

Statements by Members

In case members are confused, yes, he is actually saying that now that we have reached an agreement, it is too good a deal. For 13 years the Liberals dithered on solving the softwood lumber issue. This Conservative government sees a problem and we fix it. We are standing up for our forestry industry.

As good old Mark Twain used to say, "...one mustn't criticize other people on grounds where he can't stand perpendicular himself".

* * *

WATERFRONT PROTECTION

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I rise today to speak about my riding of Parkdale—High Park, with its beautiful western Toronto waterfront. The good weather brings out families who love to play and relax there.

Many residents from my riding, though, are concerned about the future of the western beaches, and I share their concerns. We cannot allow development and the runoff from cars to further pollute and endanger our western beaches.

[*Translation*]

The western beaches area belongs to all of the people of Toronto and should be developed for everyone, so as to preserve its natural heritage as much as possible.

[*English*]

The federal government has a role to play by financing a breakwall, which will protect the adjacent water and the land. Today I call on this government to do just that.

The recent passing of Jane Jacobs has highlighted the importance of people-centred places in our urban environment. Parkdale—High Park, and indeed all of Toronto, will only be as great as its people and its places, places like the western waterfront, the jewel of our community.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, I would like to congratulate the Commissioner of Official Languages, Ms. Dyane Adam, for her 2005-06 annual report, tabled today in Parliament.

This report calls for more vigorous federal action to promote Canada's vitality as a bilingual country.

I wholeheartedly support every recommendation she made to the government.

[*English*]

The first task of the Standing Committee on Official Languages must be to thoroughly study the content of the report.

The report, entitled "Official Languages in Canada: Taking on the New Challenge", will compel the Conservatives to build on the social and economic foundations of the policy and practices put in place by the Liberal government.

[*Translation*]

The Minister for la Francophonie and Official Languages must end her silence, prove to communities that the action plan for official languages has a future, and enter into dialogue with community partners.

Congratulations to Ms. Adam for her seven years of service as the Commissioner of Official Languages.

* * *

IMMIGRATION

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, Canada currently has a moratorium on the return of foreign nationals to certain countries where there are generalized risks to the safety of individuals. Some such people have been in Canada for a number of years, existing in a legal limbo that deprives them of many fundamental goods and services and prevents them from leading a normal life.

It appears very difficult for many such foreign nationals to obtain permanent residence, which they so desperately want.

Their precarious situation causes them considerable distress and suffering and the Bloc Québécois is calling for speedy action.

Let us work together on developing a system that would make it easier to grant permanent residence to everyone who has been in Canada for more than three years and who is from a country that is under a moratorium.

* * *

[*English*]

ENERGUIDE

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Recently the Conservative government cancelled the \$500 million EnerGuide for low income housing program, another example of how this year's budget gives Canada's most disadvantaged citizens the cold shoulder. Without EnerGuide, Canada has no strategy to protect low income households from escalating energy prices and no strategy to engage these households in an effort to reduce pollution.

I know that the environment and support for low income Canadians are not among the government's top five priorities. However, if this government cancels EnerGuide, it will be low income Canadians that the Conservatives will once again leave in the cold. Home energy prices have increased dramatically. Low income householders will bear much of the cost since they generally spend a much higher percentage of their income on heating.

Last November, the Conservatives joined all other parties in Parliament in unanimously supporting Bill C-66, legislation that included \$100 million a year over five years for a new program to improve the energy efficiency of Canada's low income housing. I call upon the government to live up to this previous commitment to energy efficiency and invest the resources needed to ensure a warmer future for those in need.

•(1415)

FEDERAL-PROVINCIAL RELATIONS

Mr. Jeff Watson (Essex, CPC): Mr. Speaker, first it was ethics amnesia, and now the Liberals forget how badly they beat up Dalton McGuinty. The premier has not forgotten. Neither have we.

The Liberal from Scarborough—Agincourt accused Mr. McGuinty of scapegoating the previous federal Liberal government to get re-elected, never mind that Mr. McGuinty was in year one of a four year term. It sounds more like what the former Liberal government was doing on the brink of collapse under the weight of its own corruption.

Members do not have take my word: let us take the words of the Liberal from Markham—Unionville, who accused Mr. McGuinty of not standing up for Canada. How could Mr. McGuinty, when he, according to the member, was horizontal, in bed with the separatist Bloc to defeat the Liberals in Ottawa? He called Mr. McGuinty “nationally dangerous” too.

The Liberal from Toronto Centre called Mr. McGuinty “unwise”. The Liberal from Don Valley West said he was like a rich man complaining, or passing strange, as the Liberal from Scarborough—Guildwood said. The Liberal from Pickering—Scarborough East admitted to no decent working relationship.

No wonder more Ontarians chose this Conservative government to improve relations between Ottawa and Queen's Park.

ORAL QUESTIONS

[English]

JUSTICE

Hon. Bill Graham (Leader of the Opposition, Lib.): Mr. Speaker, yesterday the Prime Minister refused to condemn the outrageous remarks of the member for Saskatoon—Wanuskewin. The House was told that these were one person's views, not the government's.

During the election campaign, the Prime Minister himself opened the door to this kind of thinking when he complained about being constrained by “a Liberal appointed court system”. He even talked of a conspiracy to stack the court with Liberal minded judges.

Will the Prime Minister admit that his reluctance to condemn the remarks of the member is in fact because in the end they reflect his own view and that of his party?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I certainly will admit no such thing. Not only has the hon. member for Saskatoon—Wanuskewin said that his remarks do not represent the position of the government, he has withdrawn some of those remarks, as the Leader of the Opposition knows.

The member for Scarborough—Guildwood, one of the senior critics in the party opposite, said the following in the *Ottawa Citizen* on March 18, “What is the Supreme Court but a priesthood served by acolytes in black robes?”

Oral Questions

If that is not a description of a religion, I do not know what is. I would like to know if that is really the position of the Liberal Party.

Hon. Bill Graham (Leader of the Opposition, Lib.): Mr. Speaker, a Liberal prime minister always defended our judiciary. This is not some random backbench MP we are talking about.

In spite of the Prime Minister's pledge to allow committees to elect their own chairs, he appointed that member, surely knowing that his appointment would offend aboriginal Canadians. He says that he withdrew some of his remarks, but yesterday the member made it clear that he is unrepentant about them.

For the sake of our parliamentary integrity, for the sake of our aboriginal peoples, for the sake of his own credibility, will the Prime Minister now demand the resignation of his chair of that committee?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, one day the Leader of the Opposition says I should not appoint committee chairs. Now he is telling me I should say who can and cannot be a committee chair. I wish he would get his story straight.

The fact of the matter is that if that party and that member oppose these kinds of comments, then they should withdraw the comments they have made, which are far worse than anything the member Saskatoon—Wanuskewin said.

[Translation]

Hon. Bill Graham (Leader of the Opposition, Lib.): Enough is enough, Mr. Speaker. The Prime Minister continues to refuse to condemn the remarks by his committee chairman. He continues to refuse to apologize to the chief justice. Let us not forget that it is this Prime Minister who questioned the abilities of justices to render independent rulings.

Will the Prime Minister stand to defend our judiciary and immediately ask for the resignation of this committee chairman?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, once again, the Prime Minister cannot force a committee chairman to resign. That falls within the authority of the committee. However, I would like to say that the statements of the leader of the opposition are entirely false. It is not the position of this government. The member withdrew his remarks. It is now up to the Liberal Party to withdraw its remarks which are far worse than those of the member for Saskatoon—Wanuskewin.

* * *

•(1420)

OFFICIAL LANGUAGES

Hon. Jean Lapierre (Outremont, Lib.): Mr. Speaker, the Commissioner of Official Languages reminded us today that there is still a legal void in terms of the linguistic rights of Air Canada passengers and employees since its restructuring.

Why has the government still not followed our example and tabled amendments to the Air Canada Public Participation Act to ensure that the linguistic rights of francophones and anglophones are respected at Air Canada and all its affiliates?

Oral Questions

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I want to thank my colleague for his question. Obviously we take the comments in the Commissioner of Official Languages's report seriously. I should mention that the Commissioner had raised the same issues a few years ago when she tabled two other reports that indicated the same thing. In fact, in the end my predecessor hastily tabled a bill that died on the Order Paper.

Hon. Jean Lapierre (Outremont, Lib.): Mr. Speaker, I asked a very simple question. Will the Minister of Transport table a bill immediately, a bill that is already prepared and has received approval from the Commissioner of Official Languages, requiring Air Canada and all its affiliates to respect the Official Languages Act and respect francophones in Canada?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I see that my hon. colleague defends this matter with great conviction. Nonetheless, it is a shame he did not have that same conviction for defending this issue in the past.

I would add that I had the opportunity last week to meet the Commissioner for the first time since we came into power. She brought this issue to my attention. We will take into consideration all aspects of the issue and announce our position at a later date.

* * *

UNESCO

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the agreement on Quebec's place in UNESCO, the Government of Quebec undertook to participate in the work of UNESCO "in harmony with the general orientations of Canadian foreign policy".

Would the Prime Minister tell us whether the Government of Quebec could publicly express its disagreement in UNESCO, should its position differ from that of Canada?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, it is impossible for a federal government to prevent a province from expressing its position in a matter of public policy.

However, I can say that the Government of Quebec and the Government of Canada have reached an agreement to work in harmony and full cooperation. That is natural for two governments that both favour a stronger Quebec within a united Canada.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, that is all very well, but I would like a definite answer. The Prime Minister avoided answering the first question. In 13 weeks, he has developed the same attitude as the Liberals, who spent 13 years fine tuning their ability to circumvent questions. I would like him to answer and tell me whether, in the event of differing positions, Quebec could rise in UNESCO and publicly express its position differing from that of Canada. The question is very simple and it should be just as simple to answer it.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the answer is simple. We work together. That is not like the Liberals. That centralizing party refused to conclude such an agreement. For the first time, the Government of Quebec and the Government of Canada have concluded an agreement to give

Quebec a voice and full participation in UNESCO. It is a historic triumph.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, I would like the Prime Minister to clearly answer a very simple question. Is Quebec's participation in UNESCO assured only when Quebec agrees with the Government of Canada? In other words, when Quebec disagrees, will it be able to publicly express and show its disagreement? It is a simple question. What status will Quebec have? The Prime Minister should answer the questions.

• (1425)

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, I invite my hon. colleague to reread the agreement that the Government of Canada and the Government of Quebec signed last week. In the preamble, he will read that the parties have decided to work cooperatively, to work together for the benefit of Quebecers and Canadians.

Mr. Michel Gauthier (Roberval—Lac-Saint-Jean, BQ): Mr. Speaker, we have a heck of a problem. During the election campaign, the Prime Minister promised Quebecers a seat at UNESCO and full rights, including the right to vote. But now, we have examined the situation, and Quebec will apparently have the right to speak only when it agrees with Canada.

The question is easy to understand. What happens when Quebec disagrees? Will it be expected to keep quiet and stand on the sidelines? That is what we want to know. It is that simple.

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, there is a problem here. The problem is that the Government of Canada, this Prime Minister—

Some hon. members: Oh, oh!

The Speaker: Order. I agree with the Prime Minister. There is too much noise in this House. Order, please, so that we can hear the Prime Minister's answer.

Right Hon. Stephen Harper: Mr. Speaker, this Prime Minister invited Quebec to participate in UNESCO. And the Government of Quebec signed an agreement with us to do so. We have a historic agreement. The problem is that Quebec does not need the Bloc Québécois to participate in UNESCO.

* * *

[English]

NATIONAL DEFENCE

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, despite promises to the contrary, it was the government, acting without any debate or vote, that doubled our troop deployment in Afghanistan. Yesterday, we learned from the government that, because of this decision, Canada may be unable to respond to the needs in Darfur. Canadians want our military to be in the forefront of responding to the peacekeeping needs of the world.

My question for the Prime Minister is very simple. Will he now agree that there shall be a debate and vote in the House regarding any future troop deployment beyond February 7 in Afghanistan?

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, we welcome the peace initiatives in Darfur and we are optimistic that they will lead to a lasting settlement. The Government of Canada has been in consultation with our allies on how we can assist the United Nations in this regard. We are expecting requests for assistance on governance and humanitarian assistance. At this moment it does not appear that there will be any request for military assistance, but we stand ready to work with our international allies to improve the situation in Darfur.

[Translation]

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, the Prime Minister is not showing the leadership we need in this context.

Canadians invented peacekeeping. Now we are hearing that Canada will not take the lead in sending its soldiers to end the genocide happening in Darfur.

Why does the Prime Minister not give the Secretary General of the UN a positive answer about sending our peacekeeping troops to Darfur to help re-establish peace?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I just said, Canada is ready to assist the international community. At the moment, it seems that western troops are not needed in Sudan. We are keeping an eye on the situation and are ready to respond.

• (1430)

[English]

Let me be very clear about this. We are operating in a UN sanctioned mission in Afghanistan, and the NDP cannot use its support for action in Darfur to excuse itself for not standing behind our troops in Afghanistan.

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JUSTICE

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, yesterday the Prime Minister tried to disown the member for Saskatoon—Wanuskewin for his attack on Canada's chief justice and the independence of the judiciary. This even though the comments were eerily similar to comments made by the Prime Minister in the past. Then last night, unleashed and unmuzzled, the member for Halton took on a new role of PMO apologist, launching a personal attack on Chief Justice McLachlin and calling her reaction "over the top" and saying she is getting "thin in the skin".

Will the Prime Minister now re-muzzle the member for Halton or admit that his party has no respect for the judiciary?

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, the Prime Minister clarified yesterday who was speaking on behalf of the government and who was not. What the member of the official opposition has not done is explain the actions and the comments of the member for Scarborough—Guildwood or the member from Mississauga East. Why have they not stood in this place and offered a full apology, and can people with these views continue to sit as a member of his party's shadow cabinet?

Mr. Mark Holland (Ajax—Pickering, Lib.): Mr. Speaker, the point that the minister misses is very simple. There is a difference between expressing an opinion about the judiciary and launching a

personal attack on the independence of Canada's chief justice and to put words in her mouth. There is a huge difference.

Canadians want to know are the comments from the member for Halton and the Prime Minister's close association with the ultra right wing Civitas Society part of their real agenda, an agenda to destroy the independence of our judiciary?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I cannot resist answering a question about the vast right wing conspiracy. What I will say is that I will speak to the Minister of National Defence and see if there is any possibility in the budget of a black helicopter, so we can fly the hon. member around to investigate his concerns.

* * *

ABORIGINAL AFFAIRS

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, my question is for the chair of the aboriginal affairs committee with regard to the agenda of the committee.

Despite a history of disparaging remarks, the hon. member for Saskatoon—Wanuskewin remains the Prime Minister's anointed chair of the Standing Committee on Aboriginal Affairs and Northern Development.

With a motion of non-confidence now before the committee, it is clear that he no longer has the confidence of this chamber. Therefore, I would ask the committee chair this. Will the first item on the agenda at the next meeting be his unequivocal apology and a tendering of his resignation as chair of the committee?

Hon. Rob Nicholson (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if the hon. member is a member of that committee, why does he not raise these issues at the committee himself. He knows committee chairs and vice-chairs serve at the pleasure of the committee. The committee will decide what it wants to do. That is what should happen. He should not be bringing the matter up here.

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, the member for Saskatoon—Wanuskewin insists that Canada's judicial system is race-based and too lenient on aboriginal peoples. These prejudicial comments are unbecoming to the position, which the Prime Minister has bestowed on him. This is another stain on the shirt of the uncaring Conservative government.

Aboriginal Canadians and committee members have lost all confidence in the chair. Canadians deserve better. Again, will the hon. member for Saskatoon—Wanuskewin stand here now and declare that the first matter of business on tomorrow's committee agenda will be to submit an unequivocal apology and tender his resignation as chair?

• (1435)

Hon. Jim Prentice (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, we have heard from aboriginal Canadians that they have full confidence in the ability of the government to deal with aboriginal issues.

Oral Questions

The budget, which has been put forward, is a wonderful budget with more for aboriginal Canadians than ever emerged from that side of the House, in terms of northern housing, off reserve housing, increases in additional funds for women, children and for other purposes.

Aboriginal Canadians will have confidence in this government.

* * *

[Translation]

THE ENVIRONMENT

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, a major coalition of international environmental groups may not want the Minister of the Environment to chair the Climate Change Conference to be held in Bonn next week.

Does the Prime Minister agree that his anti-Kyoto protocol stance is not fooling anyone and that the Government of Canada has already been so completely discredited internationally that the Minister of the Environment is in danger of being asked to step down from chairing the Bonn conference?

[English]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I continue to engage international counterparts on the issue of climate change. In fact, I am very proud that our government has taken the position we have in our approach to international talks on climate change. We are taking an inclusive approach.

It is important for Canadians to understand that 73% of countries in the world are the large emitters and 73% of emissions are not caused by countries that are in the protocol. We have to talk to countries that are within the United Nations framework and countries outside the framework. That is the direction the government is taking.

[Translation]

Mr. Bernard Bigras (Rosemont—La Petite-Patrie, BQ): Mr. Speaker, the Minister of the Environment can make all the statements she wants, but should she not admit that she has no more credibility in this House than she has internationally, not with environmental groups and certainly not with other countries and the international community?

[English]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, it is important for all Canadians and all members of the House to understand that we are not the only country within the Kyoto protocol facing challenges. A number of international counterparts within the protocol agree with us that countries like China and India have to take on commitments to reduce their pollution and greenhouse gases. We need to engage countries outside of the protocol, like Australia and the U.S., to also make commitments. That is the approach we are going to take.

* * *

[Translation]

HEALTH

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, even though silicone breast implants have been banned, barring exceptional

circumstances, in Canada since 1992, some 24,000 cases have nonetheless been approved by Health Canada and only 45 cases have been denied.

Do these figures, which make us shudder, not show that we have a revolting and scandalous situation whereby Health Canada puts women's health far behind the financial interests of certain groups?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, it is important for this situation to be more regulated. The regulatory requirements are now clear.

I want to add that in the current context a doctor has to make the request. I believe this situation is clearer and promotes women's health.

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, will the Minister of Health admit that the power of the lobbyists in this controversial breast implant issue and the fact that Mentor, the company calling for silicone implants to be reintroduced, was the subject of a criminal investigation in the United States in 2002 do not trouble him enough to uphold the ban and order an investigation to determine why the exception has become the rule at Health Canada with respect to breast implants?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, it is important for the situation to be regulated. That is now the case. It is important for Health Canada to protect women at all times.

I want to add in this House that a regulated situation exists and that we can defend women in this situation.

* * *

● (1440)

[English]

ATLANTIC ACCORD

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, yesterday there was a conflicting message here in the House over budget documents. The Minister of Finance states that, the Atlantic accords undermine principles on which the equalization program is based and undermine the overall fairness of the federal programs. Yesterday the Minister of Fisheries stood in the House and said that was simply wrong.

The Minister of Finance or the Minister of Fisheries, who is the skipper of this good ship *Lollipop*?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, the member, being a Newfoundlander, should know that the Minister of Fisheries will always be the skipper of the ship.

Oral Questions

We know the commitments we made, not only made but delivered to the province of Newfoundland and Labrador. Maybe he should ask why we had to wait so long to deliver to a province what was rightfully a province's own justification for getting good benefit from the offshore that his party should have delivered years ago.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, in Newfoundland and Labrador it is the skipper that we want but it is Gilligan that we got.

When the Atlantic accord came into the House that party did not even vote on it. Those members sat on their hands.

I will try this one more time. Will the Minister of Finance or the Minister of Fisheries stand in this House and answer to these accusations of unfairness in the Atlantic accord?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, we all remember the old Gilligan show. I just cannot think of the name of the parrot but I am sure it will come to me.

Let me assure the individual who spends more time watching television than he does following what goes on in his own province that we will ensure that Newfoundland and Labrador gets every cent it deserves and will be treated as fairly as any other province in this country. That is the commitment of the Minister of Finance, the commitment of the Prime Minister and the commitment of this government.

The Speaker: Perhaps we can get down to less seaworthy questions and something that will lead to more order in the chamber.

The hon. member for Markham—Unionville has the floor.

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HOMELESSNESS

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, in seeking to jail the homeless in 2002, this extremist finance minister enraged even his now seatmate, the health minister, who said at the time, such “half-baked pandering gives common sense conservatives everywhere a bad name”.

Jailing the homeless, viewing aboriginals as not real people. Will the Prime Minister muzzle his extremist finance minister, show compassion for the homeless and pledge not to cut their funding?

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, it is important to note that there is a tremendous opportunity in Canada this year in our big cities with \$800 million of one time funding to seriously address this issue of persons who need supportive housing and of people who have addiction issues.

This is a great opportunity for constructive progress with respect to a social issue that was neglected for 13 years by the previous federal government.

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, such sanctimony, based on old money, a law they opposed and a man who wants to throw them all in jail.

[*Translation*]

It is grotesque that this minister who wants to send the homeless to prison is considering cutting programs for the homeless in order to build prisons.

Since the Minister of Finance has gone too far, can the President of the Treasury Board assure us that the homeless will not be on his list of victims?

• (1445)

[*English*]

Hon. John Baird (President of the Treasury Board, CPC): Mr. Speaker, providing support and services to the most vulnerable in our country is certainly a priority, not just for this government but for all Canadians.

The member opposite would be pleased to know that the important services that are provided to Canadians, that meet the priority of Canadians and that are run effectively will certainly be something this government will protect.

* * *

FISHERIES AND OCEANS

Mr. Fabian Manning (Avalon, CPC): Mr. Speaker, under the previous Liberal government, the Department of Fisheries and Oceans spent nearly \$300,000 to send officials to foreign conferences. We would hope that spending that kind of money would result in tangible benefits for fishers in Atlantic Canada.

Could the Minister of Fisheries and Oceans tell this House what, if any, benefits were realized by the spending of over \$300,000?

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, let me say that with the former government, the former prime minister in particular, whenever there was an issue, whenever the squeeze came on, the logical thing was thrown out and they would convene a conference to deflect attention from the real issue.

I have no problem with spending money when we get results but we saw a lot of smoke and mirrors. Any time we get a benefit, the money is well spent. I offer my guarantee to the member and the people of Canada that we are not spending my money or the member's money. We are spending taxpayer money and we will get value for every cent we spend.

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PUBLIC WORKS AND GOVERNMENT SERVICES

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, I have obtained documents that show that Public Works originally signed an agreement for the new RCMP headquarters with the building's original owners but did not support the final acquisition. The property was then sold to a private developer for \$30 million. The government has now turned around and signed another agreement for the very same property for 20 times the cost.

Could the minister explain how this deal, hatched by the Liberals and signed by the Conservatives, is good value?

Oral Questions

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, no determination has yet been made on this project. When a determination is made, the details of that will be made public.

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, it really is outrageous. The government will spend over \$620 million for this property by the time it finally owns it, 20 times more than the original purchase price. Is this the minister's notion of a good deal for taxpayers? If that is the case, he has really spent way too much time in the Senate.

Could the parliamentary secretary tell us how many more of these great deals Canadian taxpayers can look forward to?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, for many years the Liberals dropped the ball on this file and still no deal has been signed. Once a deal has been signed the details will be known and we will have a full debate on the issue.

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NATURAL RESOURCES

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, a few months ago while in opposition the Conservatives supported the EnerGuide program. Within weeks of forming the government the Conservatives killed the program. The EnerGuide program helped low income Canadians cut their energy bills and at the same time reduce their emissions.

Which Conservative government priority did this cut address? Was it the priority to hurt the poor or was it the priority to help damage the environment?

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, I want to remind the hon. member that the Canadian people elected a new Conservative government not to take cues from the old tired Liberal Party that is known for its billion dollar programs.

The facts on this file are that almost 50¢ of every \$1 is spent on administration or inspections. That is not efficient nor is it effective and that is not how this government intends to do business.

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, let us talk about the facts. According to Environment Canada's own facts, the EnerGuide program was one hundred times more efficient and effective than the Conservative's bus tax credit system.

Why did the Conservative government put the EnerGuide program on the back of the bus for a program that just does not work and is not as efficient as the EnerGuide program? Is that why the deputy minister was fired? Was Samy Watson fired because he would not carry the ball for the government's environmental programs?

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, we know what was not working. It was the old Liberal government, which is why the Canadian people in every corner of the country gave the new Conservative government a mandate to govern.

I can confirm that the Minister of Agriculture and myself have been working very closely with the Minister of the Environment to develop new programs. We are working on a new ethanol program. This will develop real results which will impact all Canadians.

Canadians can take that to the bank.

* * *

● (1450)

[*Translation*]

THE ENVIRONMENT

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, a coalition of environmental groups is fed up with seeing the Conservatives renege on Canada's international commitments and cancel conservation programs that were customized for Canada, such as the EnerGuide program for low income households. Such groups are ready to boycott Canada on an international scale.

Why does the Minister of the Environment not reverse these decisions before Canada loses its international credibility?

[*English*]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, we are being honest and transparent with Canadians about the targets that the Liberals set under the Kyoto protocol. What the Liberals should have done years ago was to be honest with Canadians about this unreachable target. We will not reach our Kyoto target. The only way we can reach our Kyoto target is to, first, shut down the Canadian economy or, second, ship billions of dollars overseas.

I would like to ask the hon. member which one he would prefer.

[*Translation*]

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, it is humiliating for Canada to be attacked by the most respected and most influential environmental groups in the world, especially when our Minister of the Environment is chairing the conference of the parties to the Kyoto protocol. We are setting ourselves up to be regarded as hypocrites.

To redeem itself and take a step in the right direction, will the government bring back the EnerGuide program for low income households?

[*English*]

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I reiterate again that we are not the only country on the international scene facing these challenges. Many countries are having difficulty and will not reach their Kyoto target.

One of the reasons that we are engaging in the discussions in Bonn on the open dialogue on Kyoto targets and future participation by Canada is to see where we can go from here to participate in the global challenge of climate change.

Oral Questions

[Translation]

HUMANITARIAN AID TO PALESTINE

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, in reply to my question yesterday, the Minister of International Cooperation said that Canadian humanitarian aid money would not be going to Hamas. What we are talking about is a YWCA day care centre 65% funded by CIDA and sponsored by a Quebec organization, Aide médicale pour la Palestine. These are donations intended for children, not Hamas.

How can the Minister say that the money is going to Hamas when in fact it is an Israeli bank that is refusing to transfer money intended for little children in a day care centre? It is hard to confuse that with Hamas.

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, Canada continues to respond to the humanitarian needs of the Palestinians through multilateral organizations and other partners that are not associated with Hamas.

Future funding will depend on the commitment demonstrated by the Government of Palestine to non-violence, the recognition of Israel and the peace accords that have already been signed.

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, I would remind the Minister that on March 29, she and her colleague the Minister of Foreign Affairs stated that “—Canada will continue to support and respond to the humanitarian needs of the Palestinian people”.

In the Minister’s view, does aid intended to provide playground equipment for children in a daycare centre not come within the definition of humanitarian aid?

Hon. Josée Verner (Minister of International Cooperation and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, Canada has suspended four projects involving direct aid to the Palestinian Authority and is in the process of restructuring eight projects to ensure that they will not benefit the Palestinian Authority.

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[English]

RESEARCH AND DEVELOPMENT

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, last week’s budget gave the three federal councils that fund university research their smallest annual increase since 1993, only \$100 million in new spending. Under the Liberal government Canada led the G-7 in such investment.

Given the crucial role that federal investment in R and D plays in Canada’s future prosperity, how can the government’s paltry commitment to research and development ensure that Canada remains a world leader in learning and innovation?

• (1455)

[Translation]

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I thank my hon. colleague for his question.

I would point out that the Canadian government has invested \$100 million more in research this year. If he had read the budget

carefully, my colleague could have seen this very clearly. We are committed to university research, basic research, and research and development in Canada. This is important for Canadian business and for Canadians.

We will continue to do this.

* * *

[English]

FORESTRY INDUSTRY

Mr. Richard Harris (Cariboo—Prince George, CPC): Mr. Speaker, for years we asked the former Liberal government to acknowledge B.C.’s pine beetle crisis and for years it clearly demonstrated that it just did not care, but our new Prime Minister does care, and the Conservative government cares and the Minister of Natural Resources cares. The Conservative budget dedicated \$400 million to forestry and pine beetle issues.

I would like to ask the Minister of Natural Resources just what benefits British Columbia is going to see from this fantastic pine beetle funding.

Hon. Gary Lunn (Minister of Natural Resources, CPC): Mr. Speaker, first I would like to acknowledge the great work the member for Cariboo—Prince George has done on this file.

The Conservative Party recognizes the enormous damage that the pine beetle infestation has caused in the forests in British Columbia. We are doing every single thing we can to mitigate the damage.

It has been a great week for forestry in all of Canada. Under the incredible leadership of the Prime Minister, the Conservatives have solved the softwood lumber deal, they have made a commitment to deliver on forestry and they have made all of those commitments. The forestry industry is very pleased with this government.

* * *

THE ENVIRONMENT

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, climate change has a direct and growing impact on Canada’s economy. This past winter alone, transport trucks with food and fuel for the people in the north were held up because the ice roads had melted, a thing that was inconceivable just 10 years ago but now is a reality. The government yet still finds a way to funnel \$1.5 billion into the oil and gas sector every year. What kind of financial support is it offering to the people of the north?

Oral Questions

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I look forward to working with the hon. member as we move forward. Speaking of the economy, as I said earlier, we are being honest and transparent with Canadians about the impact of the Kyoto protocol on our economy. As I stated earlier, we have two options if we would like to try and meet that target: one is to shut down the entire economy, and that includes the economy in the north; or two, send billions of dollars in taxpayer money overseas, money we could invest in the north. I would encourage the hon. member to work with us on doing neither of those.

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, the only thing that needs to be shut down is the rhetoric that we have been hearing from the government day in and day out.

We need a plan that works for Canadians, not a plan that was made in the oil patch. This is no different from the 13 years Canadians witnessed under the Liberal government.

We need something that works for Canadians. The environment minister does not have a plan nor a vision. The only thing green about it is the green light that the government is showing to the oil and gas sector year in and year out.

Again to the minister, when Inuit elders stand and talk about the grave crisis facing their communities, does she think they are wrong, or is she just not willing to listen?

Hon. Rona Ambrose (Minister of the Environment, CPC): Mr. Speaker, I will acknowledge that the oil and gas sector along with the transportation sector are two industry sectors that will be a big part of reducing emissions here in Canada.

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RESEARCH AND DEVELOPMENT

Hon. Joe Fontana (London North Centre, Lib.): Mr. Speaker, here is another tale on Gilligan's Island, or perhaps should I say, on Harper Island.

The Minister of Industry said that he supports science and technology. The Minister of Finance talks about competitiveness and productivity, yet the Minister of Finance has gutted and cut the Canadian science and technology funds, including astronomy where Canada is ranked third in the world.

Can we get an answer from the skipper, or from Gilligan, or from—

An hon. member: The pirate.

Hon. Joe Fontana:—the pirate, as to who took the money from Canadian astronomy?

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, I thank the member for the question—

Some hon. members: Oh, oh!

The Speaker: Order. I see we have gone to sea again. We will have a little order, please. The hon. Minister of Industry has the floor to answer the question and everyone wants to hear the answer.

Hon. Maxime Bernier (Minister of Industry, CPC): Mr. Speaker, in the budget we have committed \$40 million for the indirect costs of research program, \$20 million for the leaders

opportunity fund of the Canada Foundation for Innovation, \$17 million per year for Canadian Institutes of Health Research, \$17 million for the Natural Sciences and Engineering Research Council and \$6 million for the Social Sciences and Humanities Research Council of Canada. This is the new government.

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● (1500)

HEALTH

Mr. Gary Goodyear (Cambridge, CPC): Mr. Speaker, in recent years we have seen the effects of SARS and now the avian flu. The previous government dithered and dallied and left Canadians in the lurch.

Last week under the brilliant leadership of the Prime Minister, money was allotted to address pandemics.

Could the health minister tell us what strategies are in place to address emerging pandemics and finally help keep Canadians safe?

Hon. Tony Clement (Minister of Health and Minister for the Federal Economic Development Initiative for Northern Ontario, CPC): Mr. Speaker, in my colleague's budget on behalf of the Government of Canada, there was \$1 billion earmarked for pandemics and pandemic planning.

To prepare for the pandemic, \$600 million is going to go to various government agencies designed to cooperate not only with other provinces and territories but with the world to ensure that we have the surveillance necessary, we can react very quickly, we can contain any particular pandemic and then eradicate it from our midst.

That is the challenge we face and that is the challenge that we have as a result of this foresighted budget.

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[*Translation*]

IMMIGRATION

Ms. Meili Faille (Vaudreuil-Soulanges, BQ): Mr. Speaker, people without status are in an untenable situation. Since Canada stopped deporting people to certain countries in 1994, people without status have been facing a legal void that keeps them from leading a normal life. Some have been in limbo for almost nine years.

Can the Minister of Citizenship and Immigration put an end to the anguish of the people without status who are visiting him today by making an announcement soon about a process that will make it easier for them to obtain permanent residency?

[*English*]

Hon. Monte Solberg (Minister of Citizenship and Immigration, CPC): Mr. Speaker, today I met with a number of people who are without status in this country. Obviously they have a very difficult situation. I talked to them about the need to use humanitarian and compassionate avenues to permit them to stay, where it is warranted. Clearly, I am open to hearing what they have to say and will continue to look for solutions to their situation.

*The Budget***POINTS OF ORDER**

REMARKS ATTRIBUTED TO MEMBER FOR SASKATOON—WANUSKEWIN

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, I rise on a point of order arising from today's question period in which the member for Labrador and, as I read in the news as well, the member for Desnethé—Missinippi—Churchill River, attributed remarks to me in respect to race based sentencing. I would like the members to put it on the record here, because I never made such remarks. They should bring it here before the House and put it on record or withdraw those remarks, retract them completely before they spread false information and defamatory statements.

The Speaker: The Chair has heard the submissions of the hon. member for Saskatoon—Wanuskewin. I see there are no other interventions on this point. The Chair is at a bit of a loss to know who said what. Obviously, I have a record of what is said in the House. What is said outside the House, I have no knowledge of or control over in that sense.

I can only suggest that the hon. members try to resolve their differences by seeing what actually was said. I do not think it is for the Chair to intervene at this point.

Clearly, if the hon. member has been misquoted, presumably between him and the other members who did the quoting, they will find the source. However, it is hard for the Chair to say what the hon. member said in any interview anywhere else because, of course, I do not hear these things, so I am sort of stuck with what I hear here in the House.

The hon. member for Saskatoon—Wanuskewin is rising again?

• (1505)

Mr. Maurice Vellacott: Mr. Speaker, my point is simply that members over there cannot allege wild things or allege whatever they want in respect to a member having said something inside or outside the House.

Particularly I am concerned about in this place. The member for Labrador alleges my having said something and I think he is badly confused with some other member.

It would be the honourable thing for him to come forward and acknowledge that it was some other member from my part of the country or elsewhere, because he is quite wrong in alleging that I made remarks anywhere about race based sentencing, which he implied here today. I would like those remarks to be withdrawn, never mind those remarks made by members outside the House. That is what I am asking.

The Speaker: The hon. member has made his point. I am sure that there is some opportunity for members to look at their remarks and decide whether this is something that was said or not.

If members have some other remarks to make at another time on this point of order, I would be glad of course to hear them.

I am sure that the hon. member for Labrador has heard or will see the remarks of the hon. member in due course and if some steps can be taken, we will look forward to those steps being taken.

However, I do not think it is something at this point on which the Chair can intervene, because obviously, I do not have the facts at my fingertips. Without those, I am at a bit of a loss.

The hon. member for Saskatoon—Wanuskewin is rising again?

Mr. Maurice Vellacott: Mr. Speaker, if I have the floor at this time, I would ask if it might be within your jurisdiction to simply undertake to review the blues to see what is on the record and we could go from there. I am simply asking that the member be accurate in his facts instead of making wild allegations in reference to somebody else.

Could you undertake to review the blues to establish what was said?

The Speaker: The Speaker can look at the blues. I do not dispute that and I am happy to do so. The difficulty that the Speaker is in is that I am, in effect, being invited to review statements made by somebody outside the House and conclude that the blues are not an accurate statement of what happened outside the House. This is the difficulty with which I am faced.

I will look at the blues, but I urge hon. members to meet and resolve this if they can on their own, or raise the matter again in due course.

We will now move to orders of the day.

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, and of the amendment.

The Speaker: When this matter was last before the House, the hon. member for Victoria had the floor. There are five minutes remaining in her statement, plus five minutes in questions and comments. I accordingly call on the hon. member for Victoria to resume her remarks at this time.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, I was speaking about housing, which is a critical issue to my city of Victoria. The budget only skirts around it. The budget's \$800 million one time only affordable housing allocation is a 50% cut from money already passed into law by the NDP budget last year. Even with promises for aboriginal housing, it is still \$200 million short of what was already committed. Where is the national affordable housing program that Canadians want and deserve?

Perhaps the Conservatives could learn from my city, Victoria, which has led the way by establishing an affordable housing trust in perpetuity. This is the level of government least able to pay for affordable housing, leading by example, while the federal government throws a pittance at a national problem. The federal government may acknowledge its responsibility to affordably house Canadians, but instead presents a budget that favours well housed corporations.

The Budget

Where are the budget tools to tackle climate change? Since 1990, Canada's greenhouse gas emissions have risen 24% instead of moving anywhere near a target of a 6% reduction. It appears that unwillingness to act at the federal level is the real culprit in this very disturbing trend. Innovation and leadership are coming from municipalities in cities like Victoria, which are implementing community energy plans. However, to carry these through successfully, they require energy efficiency programs, such as the ones the Conservatives are presently cutting, instead of more corporate tax cuts to the oil and gas industry.

[*Translation*]

First, the Liberals refused to impose new emission standards on their friends in the business community, and gave the hydrocarbons sector grants of \$1.4 billion per year. Now, the Conservatives are continuing to provide these grants to this sector which is already reaping huge profits.

It would appear that the real problem is not the difficulty of meeting the Kyoto targets, but rather the government's reluctance to make a sincere attempt to do so.

We are not lacking innovative solutions to the climate change problem. The NDP has proposed a national energy efficiency improvement program which would reduce emissions substantially. We also propose that tax grants and reductions no longer be used to support the producers of polluting fuels, but instead to encourage the Canadian clean energy industry. Such a measure would be not only an environmental strategy, but an economically astute environmental strategy.

At this dawn of the age of the green economy, the short-sighted solutions proposed in the budget may seem adequate, but overall they testify to a profound lack of long-term vision and an abdication of leadership on the part of the present government. In that respect it is continuing in the same vein as the Liberal government of the past.

● (1510)

[*English*]

I ask the government to take another look at its budget and to make the changes needed to show commitment to the real priorities of Canadians around housing, post-secondary education and the environment.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, pursuant to Standing Order 83(1) I wish to table a notice of ways and means motion respecting an act to implement certain provisions of the budget tabled in Parliament on May 2.

I ask that an order of the day be designated for consideration of the motion.

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, and of the amendment.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I listened very carefully to the closing remarks of the member for Victoria.

In the last mandate, the New Democratic Party went to Canadians and asked them to lend it their votes. Canadians saw what the party was able to get for them, and if they lent them their votes, the NDP would get more.

The other day, in the same debate, it was mentioned that Bill C-48, the so-called NDP budget of \$4.8 billion brought in by the Liberals, was never implemented. The reason it was not implemented was the New Democratic Party at that time, along with the Bloc Québécois, chose prematurely to overthrow the government.

How can the member go to her constituents or to NDP supporters and say that the money promised by the NDP was taken away, money that would have gone to post-secondary education, urban transit, subsidized housing and Kyoto? How can NDP members stand and bash the Liberals? Let them take on the responsibility and answer truthfully to their constituents that they blew the whole deal.

● (1515)

Ms. Denise Savoie: Mr. Speaker, I would suggest that the Liberal members of Parliament should get new speaking points. It seems a little ridiculous to suggest that the NDP is the cause. Millions of Canadians voted against the former government, after 13 years of promising environmental reform, of promising housing, of promising reform to the aboriginal, of promising students a dedicated transfer. It only happened when the NDP came forward at the end of the Liberal term with Bill C-48.

If the Liberals had not waited 13 years before acting and only when prompted by the NDP in Bill C-48, they would not be in the position they are now. Until Liberals become humble enough to realize that it is the Canadian people who voted them out of office, they are going to be sitting on the other side of the House for a very long time.

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, I congratulate my colleague on her speech. I want to talk more about the issue surrounding the cutting of energy conservation in homes. Right now we are facing a crisis in the natural gas industry in North America. Supplies are short. The Minister of Finance has said that he wants to go to Russia to find more supply for our homes in Quebec and Ontario. What we need right now is more investment in energy conservation, and we do not see it in the budget.

Will my colleague outline how this could be changed over the years ahead to make a better effort for Canadians under energy conservation?

The Budget

Ms. Denise Savoie: Mr. Speaker, conservation is given short shrift in this budget. Most Canadians are expecting leadership, not a plan that is yet to be developed or two paragraphs as we saw in the budget. Canadians expect action and a more balanced view of our obligations to our children and future generations.

The Minister of the Environment keeps repeating that she will come forward with a made in Canada plan and that our whole economy will crumble if she brings forward any measures to reduce climate change. I hope she would realize that it would be an economic advantage to Canada to maintain our competitive advantage. There are many things that we could do to reverse the trend by investing in energy retrofits, building retrofits, in green mobility and so on.

Hon. Garth Turner (Halton, CPC): Mr. Speaker, since many MPs wish to speak during this debate, I will be splitting my time this afternoon with the hon. member for Souris—Moose Mountain.

As members may know, I am in this House again after an absence of some 13 years. I have certainly been asked on more than one occasion why I went through the pain of an election process to get back here again. One reason is this budget.

Canadians need tax relief, honest government and more hope and opportunity, and they need to believe we have a gang in power now who cares about the survival of the middle class in our country. That is exactly what this budget says and for that reason, I support it.

This is a remarkable first step for this government and it definitely deserves the full confidence of the House. However, there are a few other reasons why I chose to come back here and why I bothered to fight to return to the House of Commons. I would like to take a couple of minutes to share some of the reasons why I am here, and maybe explain a few things about this budget as well.

The first reason I am here, which relates strongly to this budget, is to represent the people of my riding. That may sound trite and obvious, but it is rather revolutionary.

In the election campaign against the Liberals, who had been in power in my riding for the last 13 years, I was able to point out easily that no Liberal MP in my riding ever held an open and public meeting to actually ask the people of Halton what they wanted. No member of Parliament ever stood and said, "We ought to find out what the people of this riding actually want in a federal budget" and then took that to Ottawa.

In the election I made a commitment not to say anything in the House that I would not say back in my riding and I made a commitment to hold public meetings regularly with individuals and bring their voice to this place. I promised I would never send them a piece of mail with a party logo on it or use taxpayer money to tell them how to think. I told them I would work for the people and my first job would be here to represent my neighbours. That is what I am doing and that is why I am on my feet today in support of my tax-slashing colleague, the Minister of Finance.

In this new era of leadership, when politicians enjoy a popularity rating of 14%, just a little ahead of used car salesmen, it is important for all of us to make sure we are here in this place to give people their voice and to listen to it. In understanding this simple truth, a

truth so simple and profound that I believe it was lost in my riding for a long time, I also came to understand something about myself.

It has now been 18 years since I was first elected to this place, 13 of them since I last sat as a member of the House. Today I am extremely pleased to be a member of Parliament. It is a badge of honour, an achievement. Of the people who sent me here, I ask for no more. I am completely challenged and fulfilled in being a member of Parliament, but I have found, coming back here, that there is intense pressure for one to represent one's party instead of the people who sent them here.

The question often arises, how do we change this? Not easily. I do believe members of Parliament need to be more independent, more powerful, with more free votes in the House and less party discipline. We need committees of MPs with more clout and the ability to do actual work in this place. They need direct input into key government initiatives, such as a budget.

The Minister of Finance welcomed my submission. I did poll people and found 11,000 Canadians who had something to say about the budget. I told the Minister of Finance, clearly, some of the things that I wanted him to hear. He listened, and I congratulate him for that.

I believe successful politicians have to stay close to their voters. They know what their voters want. They need to communicate it. I happen to believe that the biggest, most influential and probably the most underrepresented group of voters in the country, and certainly the dominant group in my riding, is the middle class. It is this group to which the budget speaks the loudest.

• (1520)

During the campaign I consulted this group. I came up with a pledge to them. I wrote brochures and policy statements for them. I took time to understand the pressures on their individual lives and I addressed it. These people, I know it by the nation's standards, are well off. They are solidly middle class. They are not the ones the government is busy sending cheques to, no energy rebate cheques, and no GST tax credits.

They are the worker bees of our society, the ones who are always employed, always taxpayers, always spending. Middle class people are the backbone of my riding. They make up the bulk of the population. They are responsible for the economy, as well as funding the government which redistributes their taxes to others.

The Budget

However, there is a continuous erosion of family conditions right now, brought on by governments who pride themselves in caring for the rest of society at the expense of the middle class. These folks need help and attention. They deserve it.

The middle class in Canada now is actually under attack. I have pledged myself to work every day that I am in Ottawa to represent these people, to help them, to speak for them, and to fight for them. That is a major reason why I am supporting a federal budget that puts billions of dollars back in the hands of these middle class families who populate my riding in Halton.

The budget includes a GST cut, a personal income tax reduction, a universal child care benefit, more money for seniors, farmers, students, apprentices, and for the small businesses that create most of the jobs in my riding. These are the things I can go back and present to middle class voters as significant achievements and a great start down a path to tax fairness.

As I have said, I gave the Minister of Finance a prebudget report, including the thoughts of thousands of Canadians and he listened. Then his own department went online and also asked Canadians from coast to coast to contribute and they did. That was a first. The minister said to Canadians, "I care what you say. I'm going to read your e-mails", and I congratulate the minister. I think he is the first one who has ever done that.

We all have a lot to gain from that process. Voters get to be heard. Politicians get to communicate free of any special interest group filter. Governments stay in touch and we all build a better country together communicating.

I support the budget because it will improve the lives of the people who sent me here, middle class Canadians. It cuts their taxes. It assists their families. It eases household finances. It gives them new hope for the future.

I hope that all members support the budget, or at least have something constructive to say about it. I will be voting for the budget, to keep faith with the people who sent me here and be consistent with what I said I would do for them, and I do it with pride. I am honoured to be here.

Mr. Speaker, this is a beautiful seat that I occupy next to your knee. I may not be in the camera angles. I may not be in a position of influence. I may not even have the ear of the Prime Minister, but it just does not matter.

I think just being an MP is Ottawa talk. Every MP in this place matters, since we are here representing millions of Canadians. There is no bad seat in the House of Commons. There is none of us more powerful than the rest of us, since all the people in this country are equal and they all do truly want the same thing. They want this place to work and so do I, and passing this budget is a tremendous start.

• (1525)

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I listened with interest to the member for Halton's speech which began, I say respectfully, with a self-congratulatory tone that was almost unbelievable.

He also went on to talk about the former member, a colleague of mine whom I know from watching him work so diligently and

effectively on behalf of his constituents surely listened to the constituents of Halton on a very regular basis. Whether he was in the custom of holding town meetings or forums, I do not know, but I can tell members that the former member listened well and hard to his constituents.

The member opposite talks about listening to his constituents. I have no doubt that he listens to his constituents. When students ask him, as I am sure they do, whether it is preferable to receive an \$80 credit for books and tax free scholarships, and whether the Conservative plan is preferable to the Liberal plan of providing those students \$6,000 unconditionally in the first year and last year of their post-secondary studies, does he actually say to those students, if he listens to them, that the Conservative plan is to be preferred over the Liberal plan? What does he say to those students? I am curious to know.

• (1530)

Hon. Garth Turner: Mr. Speaker, I welcome the comments from my colleague across the way. I might first say to the hon. member that I did not criticize the hon. member whom I replaced in my riding personally and I have no malice against him whatsoever.

My observations were simple observations. During the 13 years the Liberals represented the people of Halton, there was never a public meeting. There was never an opportunity for a constituent to come to an open and free forum, express opinions to the member, and the member then giving a commitment to bring those opinions back. It is just a simple exercise in direct democracy and I think what the people of Halton were looking for was an opportunity to have a direct input into the system.

I also took issue with the member who preceded me using government funds, House of Commons dollars, to send householders and ten percenters around the riding with giant, red Liberal logos on them. That is a tremendous abuse of public funds. The people in my riding have told me that it was high time they had a member who would deal with their issues other than in a partisan way. That is exactly what I am trying to do.

Second, in answer to his question, the students of Halton, certainly the ones I have talked to, are happy that they are getting something. They are happy they are getting a textbook credit. They are happy that the bursary scholarship money will be free of taxation. These are real issues and real benefits to these people as opposed to promises the Liberals made and never delivered upon.

Not a single benefit for students that was contained in the last Liberal budget was ever implemented and not a single one of those dollars that the member opposite is bragging about ever went into the pocket of a student in my riding. It is just another one of the hollow promises we have heard Liberals make for a long time and those hollow promises are being replaced with true dollars in the pockets of my constituents who need them.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I commend my colleague for his speech. I know him by reputation and I think he is a sincere man and wants the best for his constituents of Halton. I look forward to serving with him on the finance committee.

The Budget

I would refer him, though, to comments made by the intergovernmental affairs minister when I asked a similar question on student assistance. The minister referred to the great programs that exist for students which came in under the Liberal government.

However, my question refers to taxation, something I know he cares about deeply. He mentioned middle income taxpayers. Maybe middle income in Halton is a lot different than middle income in Dartmouth—Cole Harbour. We all come from different constituencies, but my question refers to the brochure that came with the budget which talked about broad-based tax relief for families by income group.

It indicated that a family that makes less than \$15,000 a year will save in 2007, from the Conservative budget, \$96, while a family making more than \$150,000, which includes probably all of us in this House, would save \$1,228. I wonder if he really thinks it is fair that an MP should get 12 or more times the benefit than the family struggling to raise their kids on \$15,000.

Hon. Garth Turner: Mr. Speaker, the hon. member opposite will know that tax savings are proportionate as a percentage of income. The government has removed 655,000 low income Canadians from the tax rolls of this country in the budget. I think that is a very significant achievement. Many families of lower income will cheer the budget of doing exactly that, of removing them from the tax rolls. The government is also reducing the GST burden by a full point on the necessities of life.

Since the GST or any sales tax by its nature is regressive and penalizes those with lower incomes, as opposed to those with higher incomes, that is a very positive measure for Canadians in lower income tax brackets. The budget actually does contain a great deal of good news for all income tax brackets. I know the member is concerned with lower income Canadians and they benefit as well.

• (1535)

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, I have the opportunity to continue my remarks from yesterday, when I closed my remarks by saying that this is not a budget that defines the Prime Minister or the government, but a budget through which the Prime Minister and the government define the kind of Canada we want to see, the kind of Canada for which people have been asking for a long time, people who were not being listened to. What Canadians have been asking for is finally being reflected in what we see in the budget.

Also of interest, I mentioned the other day that it was refreshing to see the May 3 editorial page in the Regina *Leader-Post* in Saskatchewan indicating that the federal budget “keeps promises”. It is one thing to make promises and quite another to actually carry them out and put them into effect. I think members opposite were somewhat surprised to see many of our campaign platform promises appearing in the budget. I do not think they expected us to keep our promises, as this budget reflects.

This government promises and delivers. The budget itself shows that we are prepared to spend \$20 billion in tax relief over the next two years, more than the last four Liberal budgets combined. As was mentioned previously, this will remove 655,000 low income Canadians from the tax rolls altogether.

When we look at the cumulative effect of the budget on ordinary working families, we find that significant dollars are being returned to the pockets of taxpayers. Taxpayers have been much overburdened over the last number of years with the many taxes collected from them, taxes that found their way to the previous government.

With respect to the GST reduction of 1%, anyone who spends \$10,000 on consumer goods will end up saving \$100. A family spending \$30,000 on a family car or a minivan will save \$300. A young family buying a home for \$150,000 will save somewhere between \$960 and \$1,200.

On top of this, a Canada employment credit is available to everyone, with \$500 now and then \$1,000 as of January 1, which is another \$150 saving.

The budget provides a reduction in the lowest tax rate from 16% to 15.5%. Again, a simple calculation shows \$150 more left in the pockets of ordinary Canadians. As well, an increase in income that can be earned without paying federal tax results in more dollars being kept by ordinary people.

A family with three children under six years of age with a stay at home mom will receive \$3,600 per year. That is quite a significant amount.

When we start adding up all of the benefits portrayed in this budget, we see that they add up to thousands of dollars.

If someone wants to register a child in a sports program, which happens throughout all communities in Saskatchewan, and rural communities in particular, they can deduct about \$75 from taxes.

That is not all. If mom or dad wishes to become a skilled worker, each is eligible for a \$1,000 grant for the first and second year of an apprenticeship program. In years one and two of an apprenticeship program, that amounts to \$2,000.

If someone needs to buy tools for their employment, there is an additional exemption of \$115. This budget allows for a 100% capital cost allowance on tools purchased. This has been increased from \$200 to \$500, for another \$45 saving.

A student in a post-secondary education program will receive an \$80 net tax deduction for textbooks.

If mom or dad use the transit system, there is another \$150 or an \$80 a month tax credit.

This budget allows a young couple purchasing furniture worth \$20,000 to get a \$200 saving.

I am sure I have missed some of the many tax benefits for ordinary Canadians allowed in this budget, but the savings amount to thousands of dollars being put back into the pockets of Canadians. This is long overdue. It is time that we respected the taxpayer. This budget reflects that. It gives some relief to taxpayers who have been overburdened over the last number of years.

The Budget

I would also like to take a moment to talk about our farming community. The Liberal opposition members, when in government, were a lot on promises and hot air, but were cold hearted, callous and uncaring when it came to the farming community. In particular, they designed a CAIS program that has been a bane and a problem for farmers and farming communities for years. Farmers who have retired and do not now farm have been able to receive thousands of dollars under the program, yet young farmers just getting into farming have received very little. There have also been differences between neighbours with CAIS, with some receiving payments and others getting none.

● (1540)

CAIS is a program that does not take into account falling commodity prices. They have been falling year after year and the program simply reduces the margin. It does not take into account the effect that falling commodity prices have on inventory valuations, thereby causing an additional loss of money for our many farmers in Saskatchewan. As well, the rising costs of production are not addressed.

Perhaps the sorest point of all is the clawback provision that was in existence for any government payments that were made, including the grains and oilseeds program. They were clawed back for any overpayments out of the CAIS program. It has been an administrative nightmare, with farmers receiving money on the one hand and having to pay it back on the other hand and not really knowing how the problem is to be addressed.

We find the one thing that CAIS has done, perhaps, is provide jobs for people administering the system. It certainly has not provided the money at the farm gate for the farmers and the farm families who require it.

The CAIS program has 2003, 2004 and 2005 issues that are being addressed as we speak. The farmers operate on a seasonal basis, planting a crop and harvesting a crop. Things have to be determined within that cycle, not over many years. What we find is a system that is too complex. Farmers are losing hope and even the accountants are getting gun shy in terms of trying to come up with what the farmer may expect.

In many respects in my province, CAIS is looked at by many as the laughingstock of government programs, except that it is not very funny. There are many auctions happening in my constituency, more than I have seen in all of my lifetime. This is not something that is particularly appreciated by the farming community, which is going down and is losing the hope that it needs to succeed.

The Liberal opposition members opposed the budget. I wonder what it is in the agricultural part of it that they take issue with. I looked at the budget itself, which states that it “will provide an additional \$500 million per year for farm support and to work with farmers” and other partners toward securing “a more prosperous future for this sector”. We promised in the campaign that there would be \$500 million to deal with disaster relief and we have delivered that \$500 million. On top of that, we have put in an additional \$1 billion to address farmers in transitional programming.

The government has also indicated that it will replace the Canadian agricultural income stabilization program, CAIS, and it is in the process of doing that.

It is also providing funding to shift the inventory evaluation under the CAIS program to make the program more responsive. Farmers lost thousands of dollars in that regard. The government is putting place a deeper coverage with respect to many issues such as the declining balances. It also talks about a cover crop protection program for those who have been flooded out. It seems that a program like that should have been in existence for a very long time, but it has not been.

I would say that even at a start under this budget farmers are already better off. The minister has indicated there will not be any more clawbacks and there will not be any interest on overpayments on the CAIS program until January 1, 2007.

There are also initiatives on the biodiesel and biofuel side, which will transform the prairie agricultural industry as we know it.

What are other Canadians saying about the budget? There was a poll done recently by Ipsos-Reid. It said that the numbers of people who like the budget are double the numbers of those who do not. In Quebec there is a positive response of 60% and in Alberta 67%. Mr. Wright, the senior vice-president of Ipsos-Reid, said, “The Harper government has really hit a home run with this budget”.

There are many people who have said that this budget is a budget that is accepted by all Canadians. A COMPAS Inc. poll found that Canadian CEOs give the budget an overall score of 76%, and it was stated that this budget is “far more popular than the recent budgets of by Alberta Premier Ralph Klein, Ontario Premier Dalton McGuinty, or former prime ministers” the hon. member for LaSalle—Émard and Jean Chrétien. That is quite a remark.

Another newspaper in my circulation area said this, “Virtually every Canadian will see some benefit from the new Conservative government’s first budget”. Every Canadian will receive something, said the newspaper, adding, “The bottom line on this budget is that [the] Prime Minister...has delivered on all his election promises...”. It states that he has established the most important factor for Canadians, the “trust factor”.

I would say that it is refreshing to see that. It is refreshing to see promises being kept and implemented in the budget.

● (1545)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I would like to talk about two issues in the budget that concern me most. One is the inherent unfairness of it in giving an advantage to those who spend, those who make more money. The budget documents themselves even tout the savings on a \$350,000 home. There are probably ridings in this country that do not have even one \$350,000 home.

I want to talk about the other aspect of it, which is that the measures in it are the triumph of politics over policy, of show over the activity that would improve Canada's economy. We know now that the issue for Canada and the world is that the world is changing, with emerging economies now spending money on innovation and technology.

The Budget

According to the budget documents themselves, Canada has done a remarkable job. We now lead the G-7 in investment in research at the university level. It is all very important, but this budget hardly mentions this at all.

The second part of university and post-secondary education overall, including community colleges, apprenticeships and skills upgrading, which are very important, is putting money into post-secondary education for Canadians who can least afford it.

In the economic update introduced by our government last November, we dedicated \$2.2 billion over five years for students most in need, for aboriginals, low income Canadians and persons with disabilities, and another \$265 million specifically to help disabled people get into the workforce. There is nothing in this budget to address that.

I wonder if the member would agree, first, that the government has a role to play in assisting those most in need to get post-secondary education and, second, why that would not be mentioned in the budget.

Mr. Ed Komarnicki: Mr. Speaker, the budget does refer to education. It indicates that students will not be taxed on the scholarships, bursaries and other income they have. They will get the tax credit. Parents will be able to earn greater income, with students being able to access funding that they otherwise would not have been able to access.

We have \$100 million earmarked for research and development. There are transfers to the provinces. The budget talks about the fiscal imbalance that the Liberal government has created. It has taken millions and millions of dollars out of the provinces, out of provincial jurisdiction, thereby causing a significant problem for the students of this country.

The Conservative government will rectify that problem and actually put some money in the hands of the provincial governments so they can actually provide better education for the children who are growing up in their provinces. Let me tell the member that when we have strong families actually able to make a living, they will certainly be able to stand behind their students and they will do far better in terms of supporting students than they have been able to do under the previous Liberal government.

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, I salute my colleague from Souris—Moose Mountain.

First of all, the Bloc Québécois finds it interesting that the fiscal imbalance should be addressed in this budget. You will recall that the previous government did not even want to utter those words, even though the Bloc Québécois, the opposition at that time, had made a very eloquent demonstration of this fiscal imbalance on the basis of the Séguin report.

That being said, there is still one thing that bothers me. That is the question of employment insurance. In that connection, I would like to ask him the following question.

What is the hon. member's position on the creation of an independent employment insurance fund managed by workers and employers, who would ensure that we never again see the

astronomical sum of \$48 billion scattered elsewhere in the federal budget instead of being returned to the people who, at some point in their careers and lives, need to receive employment insurance benefits?

[*English*]

Mr. Ed Komarnicki: Mr. Speaker, there is no question that under the previous Liberal government \$50 billion had been collected from workers and employees, to a great extent, and used for general revenue purposes. The hon. member will understand that we looked at that specific issue very closely. I think the Prime Minister addressed it in the House. It is part of the whole issue of the lack of funding by provinces and specific groups.

I can say with respect to the issue relating to fiscal imbalance that this budget has targeted provinces in a way that they have not been targeted before, particularly with infrastructure. When we look at the number of dollars going back into communities, we see that it is significant. It is in the billions of dollars. It is infrastructure in many respects that has been eroded in the province because of the dollars that have been taken from the provinces by way of revenue. They were not able to provide those services.

These are all issues that the Conservative government will be looking at. Indeed it will.

• (1550)

Mr. Blair Wilson (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Mr. Speaker, I will be splitting my time with the member for Beaches—East York.

I rise today to speak to the recent Conservative budget and how it has failed to address the real needs of Canadian families and, specifically, the needs of British Columbians and the citizens of West Vancouver—Sunshine Coast—Sea to Sky Country.

The Conservative government inherited a strong fiscal record from the former Liberal government. It inherited eight years of balanced budgets, a 30-year low in unemployment and a record surplus that was the envy of all G-8 nations.

It is absurd that the government is now raising income taxes and slashing spending by \$1 billion a year without, I may add, telling any Canadians exactly which programs will be cut. It is a complete lack of a vision for Canada's future prosperity.

The Conservatives are also throwing out fiscal prudence and spending programs that are on the books that they cannot account for.

The budget is both fiscally irresponsible and socially destructive.

The budget has failed to provide real tax relief for low and middle income Canadians. The budget has, in fact, raised the lowest level of personal income tax from 15% to 15.5% and has lowered the basic personal exemption from \$9,039 to \$8,639. How is this helping the middle class, helping working Canadians?

The bottom line, however, is that even after considering the GST tax cut the Conservatives are so happy to parade around and the new Canadian employment credit, which is basically a \$1,000 increase in the personal exemption, the budget actually is a wash for low and middle income Canadians.

The Budget

Eliminating the Liberal income tax cut in favour of their 1% GST cut has been panned by every serious economist in this country as a plan that will benefit higher income Canadians off the backs of the poor. Reducing the GST, while a strong political and public relations move, is a terrible economic move. Economists and public policy experts all agree. The GST is not even charged on essentials, such as housing or food, which make up by far the greatest expenditures for low income Canadians.

The people I have talked to in my riding since the budget have told me time and again that on the surface the budget looks pretty good but that in reality it is all smoke and mirrors, just a con from the Conservative government.

The budget has also failed to achieve any kind of fiscal integrity. The previous Liberal government's fiscal framework contained a contingency reserve of funds intended to guard against unforeseen events, a fund that was anywhere between \$1 billion and \$4 billion. The Conservative budget, this budget, eliminates all economic prudence.

The cushion gave the previous Liberal government the fiscal room to weather unforeseen events, such as September 11, mad cow, SARS and the Asian currency crisis, all without going into deficit.

At the same the Conservatives have spent and cut their way very close to the line. They have removed the cushion which was an integral part of the federal government's ability to turn this nation's finances around.

The budget has also failed to address the issues of climate change. In fact, I would believe this is a pro pollution budget because it represents a 93% cut to environmental funding and a complete disaster for future generations of Canadians. The Conservative budget has all but gutted every cent of the previous Liberal government's commitment toward the protection of the Canadian environment. The government has eliminated climate change programs and is getting set to pull out of the Kyoto accord. It also represents a 100% cut in funding for climate change, ensuring that Canada will be unable to meet its Kyoto commitments.

The Conservatives' response is a transit cut that is both costly and ineffective. It will cost almost \$400 million over two years and only increase transit use by, get ready for this, 5%. This translates to a cost of \$2,000 for each tonne of carbon dioxide saved; 10 to 100 times the cost per tonne under the previous Liberal project green plan.

To quote Dale Marshall of the David Suzuki Foundation:

[The] Prime Minister...has dismantled the only climate change plan our country had and replaced it with subsidized transit passes that will do little to fight air pollution or convince people to leave their cars at home. It's completely irresponsible.

Furthermore, the Conservatives plan to pay for this, even though their so-called climate change program is still under development, by scrapping \$2 billion of the existing climate change program. They are trying to develop a strategy as we speak.

The budget is deliberately misleading about its alleged environmental funding.

•(1555)

In the budget speech, the minister claims that his government will dedicate \$2 billion toward the development of a climate change plan but the budget itself provides absolutely no money. The government also claims that it will spend \$1.3 billion on public transit but this is not new money either, having been committed by the previous Liberal government.

The city of Squamish in my riding is an ideal site for the production of wind power. Quantum Windpower, a team of entrepreneurs with a commitment to develop and manufacture commercial wind turbine equipment in British Columbia, is seeking to build a manufacturing plant for wind turbines. Government funding is invaluable in order to launch Quantum's manufacturing facility and its business plan, which includes export potential.

With no money for renewable energy, no money for energy retrofits and no money for energy efficiency programs or green initiatives, the Conservative government is turning the clock back on real climate change initiatives.

As well, the Conservatives have failed to provide a real child care choice for parents. The Conservatives are completely out of touch with, or simply do not care about, the needs of the majority of Canadian families. If a paltry \$20 a week for child care is not insult enough, the Conservatives will actually take \$1 billion from Canada's neediest families by cutting the youth child supplement of the Canadian child tax benefit. The Conservatives are cutting \$1 billion from this program which was supposed to reach \$10 billion by next year. The Conservatives have failed to establish a real plan to create child care spaces at all.

Rather than honouring the Liberal child care agreements, something that the majority of the provinces, parents and advocacy groups have demanded, the government insists on forging ahead with a nebulous plan which will mean provinces will lose stable funding agreed to by the previous government. Giving with the one hand and taking away with the other, is that the Conservative idea of support for Canadian families?

Last year British Columbia signed an early learning and child care agreement with the previous federal government promising British Columbia \$633 million over five years to improve child care services. This was an important step forward in providing B.C. families with the child care choices they desperately need.

Last October, using federal dollars, the first improvements to B.C.'s fragile child care system began. My riding saw improved child care subsidies, increased operating grants to child care centres, special services for families through the child care resource referral program and increased capital funding to build child care centres.

The Budget

In my riding, the many preschools, day care centres, family child care, parent-child care activities and family resource programs will experience the loss of federal dollars that will result from severe cuts to child care services and the child care subsidy program, increased child care fees for all parents and losses of child care spaces.

For the constituents in my riding who could use this money the most, the true value of the proposed allowance could be as little as \$1 a day per child aged six and under. Meanwhile, parents with school age children will receive nothing. My constituents tell me repeatedly that they need to work. Child care is not a matter of choice for them.

As well, the Conservatives have failed to address the very pressing needs of Canada's aboriginal people in this budget. Rather than honouring the historic Kelowna accord signed last November, which would have substantially improved the lives of our first nations people, the Conservative government chose to ignore them, cutting planned funding by 80% from \$5.3 billion to just over \$1 billion.

My riding is home to many different native groups, including the Squamish first nations, and many have agreed that this budget does very little to deal with the gap in the quality of life between aboriginals and non-aboriginal Canadians. The B.C. First Nations Leadership Council has called one the Prime Minister to live up to the financial commitments contained in the Kelowna accord in order to address the critical socio-economic and infrastructure gaps suffered by first nations.

Chief Gibby Jacobs of the Squamish first nation, one of my constituents, has also expressed great concern over this budget. The budget has failed dramatically on education and innovation. It has also failed on its priorities to Canadians. One of the strongest priorities to Canadians has been health care, which has been completely panned and ignored by the government. The federal budget provides no additional funding for wait time reduction nor any explanation of how the wait time guarantee will be implemented. What happened to the Conservatives' priority of fixing waiting times?

The budget has failed to honour the promises to British Columbians and the Conservatives have slashed vital programs. During the election the Prime Minister promised to recover 100% of the illegally imposed softwood lumber tariffs. He promised to replace and upgrade the naval vessels stationed at CFB Esquimalt, establish the Canadian Coast Guard as an independent agency and invest \$276 million over five years in expanding and updating the fleet. Perhaps British Columbia is too far away from Ottawa for Mr. Harper and the Conservatives.

•(1600)

In conclusion, I think this is a destructive budget. It will harm British Columbia and there will be no help for western Canada.

The Acting Speaker (Mr. Royal Galipeau): Before we go to questions and comments, I would like to remind the hon. member and others that in the last hour I heard the name of a right hon. member of the House being used directly. Of course, the experienced members of the House know that we do not do that. As of this moment, I would like the inexperienced members to also know it.

We name people in the House by their ridings or by their titles. Sometimes their ridings are long and difficult to remember but that is what we do. We do not use names.

Mr. Ed Komarnicki (Parliamentary Secretary to the Minister of Citizenship and Immigration, CPC): Mr. Speaker, I have one comment relating to the personal income tax rate. There is no question that the budget contains a total of 29 separate tax reductions which amount cumulatively to a far greater tax reduction than the party opposite gave in the last four years.

In particular, we found that the current personal income tax rate of 16% was something that the party opposite proposed to reduce but never did. The Liberals made many promises but they were promises that would have taken effect five years down the road when they would not likely to be in government and not likely have to deliver.

Is the hon. member indicating that he wishes the budget to be voted down and the personal income tax rate to remain at 16% as opposed to what it should be?

What does he think about the cumulative 29 separate tax cuts for Canadians and \$20 billion of tax relief, more than the last four budgets of the Liberals when they were in government? Why would he disagree with such tax breaks to ordinary Canadians?

Mr. Blair Wilson: Mr. Speaker, I will deal with two specific issues.

If the hon. member would check the 2005 tax guide he would see right on there that the rate for personal taxes at the lowest level is 15%. The new rate that the Conservatives are proposing is 15.5%. Anyway we cut it, that is 0.5% increase for the people who can least afford it.

My response is that there have been 29 separate tax cuts. These different tax cuts, tax credits as well, are not a strategy or a plan for the future. This is a piecemeal approach to buying votes. I think it is blatant vote buying by the government. The Conservatives are not worried about the future of Canadians. They are worried about the next nine months.

To answer the question, yes, there is a definite increase in taxes by 0.5% and, by lowering the personal exemption rate by \$200, we will add more Canadians on to the tax rolls, not take them off.

[*Translation*]

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, do my colleague from British Columbia and his party recognize the fiscal imbalance? Do they recognize the reality of it as it relates to Quebec and the different provinces?

Over the 13 years when the Liberal government was in power, the shortfall plunged the provinces into situations that made it extremely difficult to work in such critical fields as health, social services, appropriate income and education.

Does my colleague recognize this concept, which is of great importance and needs to be resolved?

The Budget

•(1605)

[English]

Mr. Blair Wilson: Mr. Speaker, I warn the hon. member about the words “fiscal imbalance” when he is talking about the budget that has been proposed by the Conservative government.

If he takes a very close look at it, he will see that in the year coming up and the year that follows, there is very little put aside for fiscal prudence and very little put aside for a cushion. Where we had \$8 billion to \$10 billion of surpluses with which to adjust the fiscal imbalance, the government will have absolutely zero.

The Conservatives have about \$600 million as a potential surplus next year and zero the year after. Even if the member could get the Conservatives to acknowledge that there is a fiscal imbalance and there are to be policies to address it, they will not have, I am afraid, any money to deal with it.

I would say to the hon. member that if there is not going to be any money to deal with the fiscal imbalance, I hope he will join our side to vote against the budget when the vote comes to the House.

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I commend my hard-working colleague on his insightful speech about the budget.

There is one thing I have had some difficulty figuring out. As I understand it, the proposed transit pass program will cost taxpayers \$2,000 to reduce one tonne of greenhouse gases. The energuide program to reduce one tonne of greenhouse gases was costing only \$20. I am wondering if there is any logic to this. Perhaps my friend could shed some light on it.

Mr. Blair Wilson: Mr. Speaker, the Conservative government does not have a plan for the environment. It does not believe in global warming. It does not believe in honouring our commitments to Kyoto. It is a disaster waiting to happen on the environmental front.

Hon. Maria Minna (Beaches—East York, Lib.): Mr. Speaker, I want to start my remarks by focusing on one of the most egregious parts of the budget, the notion of the \$1,200 child care allowance, which I do not consider to be a child care allowance at all.

The government keeps calling the \$1,200 allowance universal child care and that it is giving choices to parents, but we should look at the facts and make a proper distinction between income support and child care. The reality is that the \$1,200 is a family allowance, not a child care plan. As a family allowance it is fine, but it is not a child care plan.

The most effective weapon to fight child poverty in this country is the child tax benefit. Experts believe that the benefit has reduced child poverty by approximately 26%. If we were to apply the \$1,200 to the base of the child tax credit, families would receive the full \$1,200 on a net income of up to and including \$112,000, after which there would be a clawback up to and including a net income of \$172,000. This is what the allowance should be, income support through the child tax credit. It would address the incomes of modest families as well as middle income families and even higher.

Instead, the Conservative government is cutting the young child supplement portion of the child tax benefit. This means that most

families with low or modest incomes will lose \$249 right off the top, reducing the child care benefit to \$951. Taxes are increased at the same time by .5% at this level, which of course means that families will lose even more.

Further, the child care allowance treats some families better than others, even though they have the same net income and the same number of children of the same age. Because the benefit is taxable in the hands of the lowest income earner, single parents and two earner families are going to lose out. Two earner couples will lose a significant portion of the benefit to income taxes, but still not as much as single parents will lose.

Single parents in the \$30,000 to \$40,000 income range will lose on average close to \$400 of the benefit in taxes. If this is added to the \$249 that they will lose because of the elimination of the young child supplement, these families will be left with only about \$550 of the \$1,200 benefit, less than half the benefit that some of the other families will be receiving, and they will have a tax increase on top of that. This is not a plan for all families. This is punitive to some families and chooses others. Nor is it an early learning and child care plan, so it does neither.

This is unacceptable because the government is basically choosing which types of families it prefers and which types of families it does not. Not giving the same choice to all families and penalizing choices that families actually make about themselves is dastardly. I have never seen anything like it. This plan is neither an income support plan nor an early child care plan. It does neither and helps no one.

In addition to the national child care plan and the child tax credit which the Liberals started in this country, the early years program, or the best start program, was started in 2000. In my riding of Beaches—East York stay at home parents have told me many times that this is a wonderful program for their children, that they are quite happy with it and use it often.

Again I go back to choice. I keep hearing from the government side that the \$1,200 gives choice. If there are no spaces to choose from, there is no choice whatsoever and the money parents receive is not enough to pay for the full amount of child care. There are really no choices. as there is nothing there to buy.

The government says that businesses will create spaces. Again, this has been tried in Ontario. The Minister of Finance knows it, as does the Minister of Health and the President of the Treasury Board, all of whom were in the Ontario government. They know it does not work. The Canadian Federation of Independent Business has said its membership is not interested. Again, it is a vague plan and there is no child care plan in this country.

The Budget

The finance minister was part of the Ontario cabinet that cut funding to schools. It cut sports programs, music programs, all kinds of programs in schools and many other services and ended up with a huge deficit, which is why Ontario now has an income problem, which is really where it is at. Now that same minister is the Minister of Finance for the Government of Canada. Guess what he is going to do to Canada. Exactly the same thing that he did to Ontario, nothing more, nothing less.

• (1610)

The city of Toronto alone will lose 6,000 child care spaces this year. This means the families in my riding of Beaches—East York will be suffering badly. This is not acceptable.

I want to move on to the issue of post-secondary education. The previous Liberal government had proposed \$550 million over five years for grants for post-secondary education to an additional 55,000 students over four years of study; \$2.2 billion over five years to improve the student financial assistance system; \$210 million over five years for graduate scholarships; \$150 million over five years for scholarships to study abroad; and \$1 billion in 2005-06 for the provinces to invest in post-secondary infrastructure. That is all gone. It has been cancelled, except for the commitment in the budget to spend \$1 billion for provinces to invest in post-secondary infrastructure, but that is it.

The Conservatives offer tax credits and not improved access. The \$125 million per year tax credit for the cost of textbooks does not do it, nor does the \$50 million per year for the elimination of taxation on scholarships. This budget cancelled funding worth \$3.11 billion over five years. This is a huge chunk. This is 50% of the first and last year of tuition as well as grants for all low income students and other supports.

All of those funds were going directly to improve access to post-secondary education. This funding has since been replaced with \$175 million in tax incentives which do little for access considering that students who struggle most for access pay little tax in the first place.

The budget does spend on apprentices. The budget offers three tax incentives for apprentices totalling about \$380 million per year. The government is very proud of all of these itsy-bitsy amounts, but this pales in comparison to \$3.5 billion over five years in the November update for the workplace skills strategy with the provinces. The strategy was cancelled in the budget and is now included in the fiscal imbalance discussions. That was settled. That was a lot of money in a partnership with the provinces to address that issue.

The budget cancels more than \$2.1 billion over five years to increase support for the granting councils, the indirect costs of research program of the Canada Foundation for Innovation and the Canadian Institute of Advanced Research and again \$200 million over five years for up to 3,500 R and D internships in the natural and health sciences and for engineering graduates as well as up to 100 scholarships each year to engineering and natural and health sciences graduate students seeking a masters in business administration.

This is not a plan for prosperity. This is a disaster. Everyone talked for such a long time about brain drain in this country. We now have a brain gain because of the investment that we have made in

innovation and research. We have been attracting people from other countries to come to this country. The Conservative government has turned it around. It has dropped it all. It is gone. For what, I ask. There is nothing in its place.

Education, prosperity, innovation, research, students, universities, partnerships with provinces are all gone. It means nothing. An agreement is signed but it is absolutely meaningless.

On the environment, again it is a very sad situation. The government has cut all the programs, the EnerGuide program for families, the high efficiency home system. Most of the investment is gone.

The only one that the government really hangs its hat on is the public transit credit, which by the way, as other members have said, costs \$2,000 per tonne, 10 times more than our plan. Environment Canada had advised the current government that this action would not increase the number of public transit users, would not effectively lower greenhouse gas emissions and would not help reduce pollution.

The government seems to have decided to hitch its hat to the United States and China and has dropped Kyoto completely. The minister now chairs the Kyoto process, but basically is a chair only in name because in essence it is really a shame for Canada. We are no longer leaders working with our partners.

There is lots more that I could say, but I see that I have run out of time.

• (1615)

Mr. Dave MacKenzie (Parliamentary Secretary to the Minister of Public Safety, CPC): Mr. Speaker, I listened to the hon. member speak about cuts that were made in provincial budgets, particularly one province. She spent a great deal of time talking about cuts in programs and cuts in budgets. I wonder if she can tell the House where those provinces should have made their cuts, when the federal government made its massive cuts in the nineties.

Hon. Maria Minna: Mr. Speaker, I am glad the member asked that question. The deficit we had to deal with of \$42 billion was left by the Conservatives. It was a huge debt. Unemployment was nearly 12%. Interest rates were in double digits. Canada was a financial basket case in the world in terms of its credit rating. We were in a horrible mess.

The Budget

At the time, as a member of Parliament, I objected to the depth of the cuts, but nonetheless they had to be done. Since then we reinvested more money in students, universities, research, hospitals, seniors and housing. None of that has been mentioned. I am adding things on because in my 10 minutes I could not put in all of the things that the Conservative government has dropped, things that were on the table and agreed upon with the provinces.

The present Minister of Finance left the province of Ontario in a deficit. That is why we are talking about fiscal imbalance. The present minister not only left a deficit in the province of Ontario but he will do the same to this country that the previous Conservative government did when we took over 13 years ago.

I am sorry, but I do not think the member has a point there.

Ms. Catherine Bell (Vancouver Island North, NDP): Mr. Speaker, I must agree with my hon. colleague on a couple of points she made in her speech. Funding for education and for the environment has been cut. I must agree with her comments with respect to the issue of child care not being a national program, but basically being a family allowance for the children of Canada.

However, I have to shake my head a bit at some of her logic. I heard her hon. colleagues speaking in the House the other day and they were saying that every child in Canada had the right to an affordable national child care program. I have to wonder about their comments because we heard promises being made by that side of the House for 13 years. My children grew up without the benefit of a child care program.

There were many surpluses over the years. In fact, she said that in the last Parliament there was an \$8 billion surplus. I am just wondering why the Liberal government did not provide a national child care program. Why is it that at the behest of the NDP the Liberals actually started on that road?

• (1620)

Hon. Maria Minna: Mr. Speaker, we did start in the year 2000 with \$2.2 billion on the table. At that time the provinces would not agree to any solution except to allow them to cherry-pick and choose which programs for children they would use. In my province of Ontario there is a program called the early years program.

I agree that we should never have backed off. We should have insisted that the \$2.2 billion stay as child care money. We did try in 2000. We tried again in 2004 and did get an agreement. If it was not for the NDP bringing down the government, instead of allowing that program to take root, it would not have happened. The election could have waited a couple of months. We did have an agreement with the provinces. A national program was in place, but the Conservative government chose to cancel it.

[*Translation*]

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, I will be sharing my time with my colleague, the member for Drummond.

A number of my colleagues have addressed different facets of the budget. Some have spoken of the fiscal imbalance. In this regard, the budget speech provides an excellent schedule. Others have spoken about measures pertaining to day care costs, which are not really measures but rather a cheque for a maximum of \$1,200, which is

taxable on top of it. It strikes me more as a vote getting measure than one intended to swell the coffers of parents facing day care charges. I will not be looking at this.

As the labour critic, I looked more at what workers' associations and employers' or professional groups think. This is what I will look at. This is what I want to talk about today. I will in fact report to you what workers' and employers' associations have said.

Ken Georgetti, the president of the Canadian Labour Congress, which has a membership of three million workers, said there was neither vision nor hope for working families. Mr. Georgetti feels that the federal Minister of Finance has let down working families in his first budget. He feels that "it shows no vision of the country and offers no sense of hope to working Canadians".

The government squanders huge surpluses while workers can't find child care for their kids, can't get training to do their jobs better, can't protect their pensions when companies go bankrupt or can't get the money promised for pay equity.

That was the opinion of the CLC, the Canadian Labour Congress.

The CSN, the Confédération des syndicats nationaux, as everyone knows, moreover, headed by Claudette Carbonneau, considers that the budget does not contain any big surprises, but a series of vote-buying, election-minded measures.

With regard to the fiscal imbalance, the only real commitment, according to the CSN, is one of scheduling.

Regarding health, the CSN says that this budget does no more than maintain the previous agreement with the Liberal government, even though the needs are obvious.

The CSN's big disappointment comes from the lack of a first gesture towards post-secondary education. The CSN also notes that this budget sanctions the end of the agreement between Quebec and Ottawa on the funding of child care. "There is nothing in this budget, except for a bunch of sweetened measures designed to assuage the difficulties of the manufacturing sector".

The CSN also says:

There is no concrete response to the problem of older workers who are victims of mass layoffs.

There is nothing for the unemployed, although the Conservative Party made a commitment in the election campaign in favour of an independent employment insurance fund.

There is nothing for the immediate implementation of the Kyoto protocol. Still, the CSN is happy about the measures respecting public transit.

The CSQ, the Centrale des syndicats du Québec, headed by Réjean Parent, is disappointed with the stingy announcements concerning post-secondary education. Concerning the fiscal imbalance, the CSQ notes that there is no real solution and the government is acting very cautiously. The universal child care benefit, the much talked about cheque worth a taxable maximum of \$1,200, remains inequitable for the families who need it most.

The Budget

The CSQ considers that Quebec will be penalized by the Conservative government's decision to invest exclusively in the development and not in the operation of child care services. It is concerned about the fact that the budget seems to confirm Canada's abandonment of the measures defined in the Kyoto accord and existing climate change programs.

The CSQ hails the tax credit for purchasing a monthly public transit pass, which as we know was a bill presented by my Bloc Québécois colleague for the riding of Longueuil—Pierre-Boucher.

The FTQ, the Fédération des travailleurs du Québec, is extremely disappointed by the government's indifference towards the manufacturing sector. "For example," it says, the government could have had recourse to the transitional measures provided by the WTO for textiles".

There is not anything for setting up a genuine income support program for older workers.

The steelworkers' union is very disappointed that the national child care program has been abolished and replaced by a \$1,200 election promise. The union feels that this is unfair, and it is also disappointed because "it comes at a time of comfortable surpluses that should be used to build a solid, supportive public policy, not a quick payout and tax breaks".

The budget "also does nothing to address the crisis in Canada's manufacturing sector...The \$400 million supposedly earmarked for encouraging forest industry competitiveness and fighting the mountain pine beetle is a drop in the bucket to an industry that is already in crisis". The union also criticizes the government for not taking action in the budget to improve protection for workers' pensions.

• (1625)

The Public Service Alliance of Canada feels that the Conservative government's budget will limit the rise in expenditures at a time when the economy is growing rapidly.

I would just like to take advantage of this opportunity to say that, until last Friday, Nycole Turmel was the president of the PSAC, and I now welcome the election of its new president, John Gordon.

"If the government is planning to institute these cuts...there will be a serious impact on the provision of federal public services," the PSAC continued, speaking through Ms. Turmel.

Instead of taking advantage of the growing economy to spend tax dollars investing in public infrastructure, child care and other programs Canadians say they want, the Conservatives are unnecessarily speeding up the federal debt reduction plan.

The Canadian Union of Public Employees believes that this government's "fixation with tax cuts is driving the federal government to abandon its role in providing quality public services" and it adds:

The 1 per cent reduction in the Goods and Services Tax will cost Ottawa over \$5 billion a year in lower revenue, creating pressure to cut program spending

So as we can see, unions and working people's associations are very or even extremely disappointed with this government's budget.

And yet a different tune is heard from the associations representing employers and professionals.

The Certified General Accountants' Association of Canada is pleased. The Investment Dealers Association of Canada gives this government a good grade. The Board of Trade of Metropolitan Montreal welcomes the budget. The Canadian Chamber of Commerce says that it is happy. The Conseil du patronat du Québec is very much in favour of this budget.

When we see that working people's groups are disappointed and employers' and professional associations are happy, we do not need a lot of studies to understand that this budget favours employers over working people. We see as well that this government is not at all sensitive toward working people.

The only times that this government mentioned working people in the budget speech or the throne speech, it was to talk about the 1% reduction in the GST.

Working people are not just "taxpayers"; they are important participants in the social and economic development of our society, and they should be considered as such.

In conclusion, I would like to say a few words about the aeronautics industry.

The south shore is an aeronautics region. Half of Canada's aeronautics jobs are in Quebec, the Montreal area in particular and even closer to my riding on the south shore. We call it the aerospace region. The Saint Hubert airport is there. The Canadian Space Agency is in Saint Hubert. The ENA or national institute of aeronautics, two of the largest aeronautics companies and a number of aerospace research councils are in the immediate area. It is a science and technology park like no other in Quebec or Canada.

So, what is in this budget? What is in the Speech from the Throne? Not a word on aeronautics; nothing but vague allusions to research and development.

What became of the funding for the aeronautics policy tabled in this House last November?

It was a good policy. It had been copied from a Bloc Québécois proposal developed in consultation with aeronautics companies. The previous government had cut and pasted parts of the Bloc Québécois proposal, but did not present any funding for the policy.

We truly expected this Conservative government to propose funding in its budget.

As you can see, the aeronautics industry is extremely important. This industry creates meaningful, high-tech jobs, which are enriching for everyone, if my meaning is clear.

That is all I wanted to say. I would add on behalf of myself, all workers and the aeronautics industry that this budget is extremely disappointing.

• (1630)

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I would like to begin by congratulating my colleague for Saint-Bruno—Saint-Hubert on her excellent speech.

The Budget

If I understood correctly, she intends to support the budget. I would like to hear more about why she supports it.

Why does she support this year's budget—I understand she intends to support it—when she voted against the previous budget?

Mrs. Carole Lavallée: Mr. Speaker, I would like to thank my colleague from Chambly—Borduas for his excellent question.

In fact, last year, the Bloc Québécois voted against the budget. That budget, which received the support of our NDP colleagues, meant a loss of \$2.3 billion for Canada's unemployed. The hon. member can read this on pages 278 to 280 of the 2005 budget. And who supported that budget? Our friends in the NDP.

This year, we will support the Conservative government's budget because it is a step in the right direction in terms of the fiscal imbalance and it establishes a timetable. We will see what the Conservatives do with it.

Mr. Jacques Gourde (Parliamentary Secretary to the Minister of Agriculture and Agri-Food and Minister for the Canadian Wheat Board, CPC): Mr. Speaker, I would like to congratulate my colleague on her speech. I would like to ask her a question.

What is the Bloc Québécois' vision, and what is her own, with respect to measures that will ensure a prosperous future for Quebec workers?

Mrs. Carole Lavallée: Mr. Speaker, I thank my colleague for her question. It is in fact an excellent one, and I congratulate her.

First and foremost, at least \$48 billion would have to be put back into the employment insurance fund, that being the amount that was literally taken against the will of the workers and employers to whom those premiums belong. That money would have to be put back into the employment insurance fund. That would be the first thing to do.

Second, the employment insurance program would have to be improved, as my colleague from Chambly—Borduas in fact said and as my colleague from Compton—Stanstead proposed earlier this week. That program would have to be improved by implementing the 12 measures proposed.

Third, my colleague from Gatineau has introduced an anti-scab bill and I congratulate him on it. It is one of the best bills we have seen to combat the replacement workers problem.

Fourth, we have to enact a bill on precautionary withdrawal. This would allow pregnant women whose workplace is unhealthy for themselves or their fetus to be reassigned while still receiving the same wages and benefits as working women in Quebec are entitled to.

Have I forgotten anything?

An hon. member: Yes, the older workers assistance program.

Mrs. Carole Lavallée: Of course, the POWA. This Conservative government should reinstate it as quickly as possible.

Mr. Yves Lessard: An independent fund so that money does not keep being taken from it.

Mrs. Carole Lavallée: I thank the member for Chambly—Borduas.

There is also Bill C-55, which I have not yet mentioned, and which allows workers in companies that declare bankruptcy to recover their wages. That bill was introduced last year and given speedy passage. It was passed by the Senate and received royal assent, but it is not yet in force. If this government wanted to do something useful at least once during its term in office, it seems to me that it might hurry up and enact Bill C-55 and bring it into force. Workers would then be able to benefit from it as quickly as possible.

In the riding of Shefford a company named C-Plast has recently declared bankruptcy. The workers at that plant are writing to us, writing to us in the Bloc Québécois, not to the government across the way, asking us what is happening with Bill C-55. We are telling them that the only thing missing for it to be brought into force is the political will of the Conservative government.

● (1635)

The Acting Speaker (Mr. Royal Galipeau): Order, please. It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Dartmouth—Cole Harbour, Post-secondary Education; the hon. member for Markham—Unionville, The Budget; the hon. member for Ottawa—Vanier, Arts and Culture.

Resuming debate. The hon. member for Drummond.

Ms. Pauline Picard (Drummond, BQ): Mr. Speaker, I would like to thank the member for Saint-Bruno—Saint-Hubert for agreeing to share her time with me, and I would also like to thank her for her excellent speech.

I would like to begin by congratulating and thanking my colleagues, the members for Saint-Hyacinthe—Bagot and Jeanne-Le Ber for their budget analysis, as well as all members of the Bloc Québécois who did such an admirable job of supporting them. Once again this year they have taken on this arduous task brilliantly. They have again shown how strong our organization is and why the vast majority of Quebecers put their trust in the Bloc Québécois.

The Conservatives raised Quebecers' expectations during the last election campaign, and we are still waiting for them to walk the walk. They promised to correct the fiscal imbalance, to give Quebec a place on the international stage, and to respect Quebec's areas of jurisdiction. They still have a lot to do to keep those promises.

I have to say that the main reason we support this budget is this government's firm commitment to correct the fiscal imbalance. That is the only reason. Without the formal commitment to address this issue by February 2007, the Bloc Québécois would have voted against the budget. The government must keep that in mind and act accordingly.

The Budget

This is a transitional budget. The next one will be the real one. In the meantime, I repeat, the government must move from words to actions. Even for a transitional budget, this one is still far from perfect. It contains a number of negative aspects. For example, there is nothing for employment insurance, neither an independent fund nor improvements. We must remember that, even today, 60% of unemployed workers are denied access to the employment insurance plan. Under the Liberals, employment insurance shifted from being an assistance program to being a disguised tax. The Conservative government seems to want to move in the same direction.

The Bloc Québécois has always opposed the plunder of the employment insurance fund and demanded the creation of an independent fund. This money comes from contributions by employees and employers. The government has not contributed to the fund since 1990. It has absolutely no right to plunder this fund.

The Bloc Québécois has introduced a bill to amend the Employment Insurance Act aimed at improving the employment insurance plan and thus restoring proper respect to those this budget has forgotten. We hope that this House will support this bill and especially that the government will honour its commitments in this regard now that it is in office.

Furthermore, this budget contains no commitment for a program to help older workers who lose their jobs due to foreign competition and globalization. It is not a difficult program to understand. My colleague from the riding of Saint-Hyacinthe—Bagot explained it in detail to the Minister of Finance. Why is the government not acting? Action in this matter is needed urgently.

The program for older worker adjustment—known as POWA—provided for the payment of benefits to eligible workers aged 55 to 64 who had lost their jobs through a major permanent layoff, by bridging employment insurance benefits and pension benefits. Unfortunately, the program was abolished in 1997. From budget to budget, election campaign to election campaign, we have heard repeated promises to reinstate the program for older worker adjustment, but nothing has been done. The recent budget is proof.

• (1640)

Restoring POWA is particularly relevant to me because many victims of mass layoffs live in my riding. Last week, Teinturiers Élite, another textile business in my riding, had to close its doors. Approximately 50 people lost their jobs. Last April, Swift Gale, a jewel in our region's textile industry, also had to close its doors. Over the past five years or so, 800 jobs had been lost in that plant. Only 155 remained. The factory closed its doors last April, which led to the loss of the last 155 jobs.

In recent years, the Drummond area has seen many other plant closures in the textile industry, including Denim Swift, Celanese and Cavalier Textiles. We are talking about thousands of jobs lost in my riding. Many workers who lost their jobs had given over 20, 30 or even 40 years of service. During all of that time, these people paid into the EI fund.

What did the previous government do for these people? Nothing. What is the current government proposing to do for these people? Still nothing.

Older workers are facing hard times and the government must act immediately to help them.

The Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities has already expressed its opinion on the terms and conditions of a program to help older workers who are victims of layoffs or plant closures. There is no need to start all over again. Instead of calling for a feasibility study, the minister must act, and quickly. There comes a time for shouldering responsibility, and that is what the Bloc Québécois is asking this government to do.

This brings me to my criticism that this budget also contains no support for manufacturing sectors affected by globalization, such as the textile, clothing, furniture and bicycle sectors.

When an industry sector is concentrated in Quebec, it would seem that the federal government drags its feet. The textile and clothing industries are good examples. Roughly half of the plants are in Quebec, where they account for nearly 100,000 direct jobs. In the Drummond area, this major economic sector is crumbling because of the federal government's inaction.

The textile and clothing industries are in crisis. They have to adapt to a business environment that has changed drastically in recent years.

The textile industry is presented as one of the most innovative manufacturing industries, but it needs a hand to get back on its feet. The federal government could take a leaf from the American government's book and put in place incentives to use Quebec and Canadian textiles by lifting the customs duty on foreign clothing made with textiles produced here.

I would like to remind the hon. members that the Bloc Québécois is determined to protect the interests of Quebecers. I would also like to say to the people in the riding of Drummond, who elected me for the fifth time, that I will defend older workers, just as I will fight to win the embattled textile and clothing industries the help they need.

• (1645)

[English]

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, it was very interesting listening to the questions from our hon. member. I can also recall, along with the former minister of industry for this side of the House, the amount of times our colleagues raised the issue of textile workers and how important those issues were to all Canadians who found themselves in areas that were being phased out.

Eleni Bakopanos, a former member on this side of the House, was very effective in ensuring that legislation was put forward to help textile workers, particularly in the Quebec area but also in other parts of Canada, who were clearly losing their jobs as a result of change in the marketplaces, in the trade and in how things were done.

The Budget

It also was interesting to listen to the member talk about fiscal imbalance and the fact that the Bloc would support the budget, which clearly is not giving them anything they really think they need in Quebec. What does the member consider to be the answer to fiscal balance? Is it \$20 million? To better understand the member, when she talks about the fiscal imbalance and the reason she would sell out and support a budget, which she clearly does not support, what does the fiscal imbalance mean to her?

[Translation]

Ms. Pauline Picard: Mr. Speaker, we know that the only government that did not recognize the fiscal imbalance was the last government, the former Liberal government.

The fiscal imbalance, in simple terms, is that the federal government collects too much money in relation to provincial government expenses. There is too much money in the federal government's coffers while the needs are in the provinces.

An increase in new technologies for health, in the number of elderly sick people and various other factors are such that Quebec and the provinces are in need and are in crisis. Yet, the federal government has never really transferred money to meet the needs of the provinces. That is what we call the fiscal imbalance.

During the election campaign the Conservative government promised the provinces that it would eliminate the fiscal imbalance and that it would transfer the necessary funding for the provinces to meet their needs. That is only fair.

The federal government has too much money for its own jurisdictions, while the provincial governments are suffering and have a growing number of needs. That is what we call the fiscal imbalance. This government made a formal commitment during the election campaign and in its Speech from the Throne to resolve the fiscal imbalance. The deadline is February 2007. That is why we are voting in favour of this budget.

• (1650)

Mrs. Sylvie Boucher (Parliamentary Secretary to the Prime Minister and Minister for la Francophonie and Official Languages, CPC): Mr. Speaker, I want to congratulate my colleague from the Bloc on her speech.

I would like to know what magic trick my colleague would use to improve all the negative measures she is denouncing and how long it would take.

Ms. Pauline Picard: Mr. Speaker, I feel like telling my colleague that I would create sovereignty.

No time at all would be needed to put back the \$48 billion that was taken from the employment insurance fund.

For years the Standing Committee on Human Resources has gone over this issue. There have been reports, witnesses, debates on this issue in this House. The human resources committee has always been unanimously in favour of improving the employment insurance program and fund. Currently 12 measures have been proposed and would easily be adapted to support those who are victims of unemployment.

A bill has just been placed on the order paper. We have been talking about this for years and we are still debating it in this House. I would vote in favour of anti-scab legislation.

[English]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of International Cooperation, CPC): Mr. Speaker, I wish to share my time with my hon. colleague, the member for Abbotsford.

It is with great honour that I rise in the House today to speak in support of the budget. I also want to recognize the hon. finance minister, who has put a great deal of effort and thought into this, including the thorough consultations he went through with industries and individuals before the budget was brought to the House. That is reflected in the many tax cuts and benefits to Canadians. I would suggest that this is the best budget the House has seen in over 13 years.

Twenty-nine different tax cuts are in the budget. Once again, we have never seen this kind of returning of dollars back to Canadians, back to where it belongs, instead of the overtaxing we have seen in the past. The cost to increase the exemption amount is \$1.08 billion, and that is returned to Canadians. There will be \$2 returned to taxpayers for every \$1 in spending. That is a fundamental change in direction in this government.

We see more tax relief in the budget than the last four Liberal budgets combined. It focuses on spending, not on slashing spending but making necessary spending more effective. Canadians have asked us for that and they have asked the finance minister to ensure he follows through on it.

We have respected the five priorities, which we talked about during the campaign. How novel to have actually delivered on what we promised. The Conservatives are all about delivering on our commitments. Budget 2006 certainly speaks to those priorities.

There will be \$20 billion in tax cuts over a two year period. As a result of these measures, my home province of Alberta will pay \$1 billion less in taxes in 2007. My constituents in the riding of Macleod, those whom I have met with and those who have written and emailed me, are happy with this. They want to see more money left in their pockets so they can make the decision of what to do with it.

The budget has \$1 in new spending for every \$2 that delivers tax relief. This budget delivers more than twice as much tax relief as it does in spending. The 1% cut in GST is another one of our promises, which delivers a tremendous amount of effect to this whole industry. Every Canadian will feel the effects of the 1% cut in GST.

We have promised to pay down the debt by \$3 billion. A lot of our dissenters would accuse us of not looking after our fiscal house. We have set aside \$3 billion to continue to pay down our debt. That is fiscally prudent financing.

The Budget

Let me bring this back to my riding and my former livelihood of farming. We watched farmers out in front of Parliament in the last few weeks, protesting about the serious crisis in which the grains and oil seeds industry found itself. I want to acknowledge, for the finance minister, the appreciation farmers in my riding have shown for the \$1.5 billion that the budget brings to agriculture. This will help them in a time of need.

The government will not abandon them. The government is looking at a long term future, but it also recognizes that in the short term, we need to help this sector get through. We need to work hard at the WTO to ensure that we get rid of the domestic support programs, like we see in the United States and the European Union, that impact these farmers so greatly.

• (1655)

In the meantime, this is what we will provide to farmers across the country. One billion dollars will be added to transition into an effective program that separates farm income from disaster relief. That is forward thinking on this Conservative government's behalf. We recognize that these two programs, which were tied together in the old CAIS program, did not work. We need to recognize that they need to be separated.

Also, our Minister of Agriculture recognized, because the CAIS program did not work, that many farmers were receiving letters asking for their advance payments back. In recognition of that, he has provided a grace period. The money they have in their hands can be used to put in this year's crop. Then we will deal with it at a later date, when we come up with a better program for CAIS. Also, doubling the interest free cash advances to farmers will help them get cash to buy their inputs for this spring. Farmers are pleased, and this is only one sector of Canadians who are happy with the budget.

The other sector is the families and communities. The government is investing in child care for example, a \$100 a month credit to any parent with a child under six years of age. In my riding that is important. People in rural Alberta and in rural regions across the country do not have access to day care facilities.

The former Liberal government's universally accessible day care program was nothing more than a slap in the face to rural Canadians. There was no accessibility to ranch families living west of Fort Macleod. How would they find a day care facility within a two hour drive of their home? This provides the answer. We admit that this will not pay for all the day care and assistance needed, but it helps. No one said that the government was going to pay to raise people's children. This is not our plan. Also, we will invest \$250 million to create more child care spaces, and we will create those spaces because they are necessary.

The budget offers \$500 to encourage our children to become physically fit, to be aware of the importance of staying fit and healthy. It is an encouragement to get children out and to become active. That is a big cost in a large family. The government recognizes that.

The child disability benefit has gone from \$2,044 to \$2,300. That impacts a lot of disabled people. It is a benefit that many Canadians will acknowledge.

We will invest \$52 million in our Canadian cancer strategy. There has not been one member in the House who has not been affected by cancer. This is a very important place to focus our research money.

I have five first nations reserves in my riding. We have put \$450 million into aboriginal women, children and families, cleaning up water and building houses on the reserves. The one initiative that is new and inventive is recognizing that almost half of our first nations people live off reserves. With that recognition, we are adding \$300 million to assisted housing off reserves. This is in conjunction with the provinces. Plus we will invest \$300 million in the territories.

Again, the cut in the GST impacts seniors, students and farmers. Every industry and every individual will see the benefit of the GST cut.

I have not spoken to the benefits in the budget for students, small businesses and the apprenticeship programs, but my time is up.

• (1700)

Hon. Judy Sgro (York West, Lib.): Mr. Speaker, I do not know if I have had a chance to congratulate you since you assumed the important job you have to try to keep civility here in the House. I wish you well in the job because it is very important and it leaves a lot of challenges.

The Conservatives were very fortunate when they came into office and found themselves with \$11 billion to invest in Canada or to choose their priorities. I do not disagree with all the investments in the budget but I do have issues with others.

The circumstances are very different from when the Liberals came into office in 1993 and had a \$42 billion deficit to deal with. All Canadians and in fact all of us in this room had to make a lot of sacrifices to get that spending under control. We did not have the great latitude of getting into office and having all of that money that the Conservatives have to make their priorities and to fulfill their election promises.

One of the areas that does concern me is the whole issue of investing in our children. The Conservatives can call it whatever they like but building jails rather than investing in the opportunities to ensure our children are well-prepared for their future is an issue that we all need to be concerned about. Whether we are talking about our children, our grandchildren our nephews or our nieces, investing in children is extremely important.

I would much rather see you take away the money you are going to put into jails and invest it in ensuring there is opportunity for our children. I would like to hear your comments on that.

• (1705)

The Acting Speaker (Mr. Andrew Scheer): I would just remind the hon. member for York West to address her comments through the Chair.

Mr. Ted Menzies: Mr. Speaker, I guess I am flattered that the hon. member feels that we are close enough friends that she can comment directly to me.

The Budget

In response to the hon. member's comments about the deficit in 1993, I have heard that argument, a rather hollow argument, for the 13 years that the Liberal government was in place after the horrific takeover in 1993. A big part of the turnaround was because of Michael Wilson's budget. I would suggest that because of a free trade agreement, which the Liberals voted against and then decided that maybe it was a good deal, things started turning around. We appreciate the fact that they accepted the deal for the benefit that it was for all of industry, all of Canada.

Although we have been handed a good set of financial books, unfortunately, it is on the backs of overtaxed Canadians. I have trouble believing that government has better ideas on how to spend money than individuals. It is plain and simple for me: leave money in people's pockets and let them run their own businesses.

[Translation]

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, after hearing the speech by my colleague from Drummond, I sympathize with her very much. In the past two years in my riding of Compton—Stanstead and elsewhere in the Eastern Townships we have lost 5,400 jobs in the textile, shoe and furniture sectors.

I want to know why the government is refusing to reinstate the POWA for older workers over 50. What is the government's vision for the future of these people who risk facing poverty? As hon. members know, at age 50 it is not easy to find a new job. What is the government waiting for to reinstate POWA?

[English]

Mr. Ted Menzies: Mr. Speaker, when we are talking about people over 50 and employment, it gets closer to my heart every day.

When we talk about job losses, that is no joking matter. It is very serious and we understand the issue, which is why we have taken steps in the budget to reduce the taxes to corporations that will allow them to profit, to expand their industries, to hire more people and to keep people on wages for longer periods. It will stimulate the economy. It is a simple method of operating a business.

If businesses are allowed to keep more of their money they can reinvest and it will stimulate and increase employment.

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, it is a great opportunity to speak to a budget that serves the needs of Canadians. The budget addresses the critical needs in my province that were ignored for too many years.

The budget will be remembered most for one of the largest tax cuts and broadest tax relief in the history of our country. In total, the budget will cut 29 different taxes. What is even more remarkable is that over the next two years we will return \$20 billion to taxpayers and pay off \$3 billion of debt each year. That is more tax relief than in the last four budgets combined.

Better yet, 90% of the tax cuts go to individuals and families. This is clearly the good news budget that Canadians have been waiting for and it certainly is good news for British Columbians.

Over the last week and actually as recently as today, I have listened to the Liberal members of the House crow about how this is their money and that they are the ones who solved Canada's financial problems. It is only fair that taxpayers ask them why it has even got

to this point. Why is it that today we are returning \$20 billion to the pockets of hard-working taxpayers? The answer is quite obvious. For too long Canadians have been overtaxed and the Liberals have hoarded our money.

Let us take a closer look. Do members of the House remember unemployment insurance now called employment insurance? That is money collected from hard-working Canadians to provide some insurance against the loss of employment. What have former governments done? Since 1994 the balance in the EI fund has steadily increased to \$46 billion, which is actually three times higher than what the chief actuary said was necessary to fund future EI claims. Did the former government ever pay it back to the employees? Of course not.

Then there were the federal cuts to transfers to the provinces in the late 1990s. I remember those days well. My community of Abbotsford was faced with the burden of finding an additional \$6 million to \$7 million because the previous government chose to pass the buck. Over 13 years, a total of \$6 billion was downloaded to provinces and municipalities so that the previous government would not have to take the heat for overtaxing Canadians.

Finally, let us not forget some other tax increases in past Liberal budgets. We saw more taxes on family trusts, increased federal capital taxes, surtaxes, increased cigarette taxes, a 1.5% increase in gasoline taxes and, of course, even a temporary reduction in the contribution limit for RRSPs.

In the meantime, the previous government increased spending far beyond the rate of inflation. In fact, in this past year alone, government spending increased by almost 15%, more than five times the rate of inflation. How many Canadians received that kind of salary increase? That is why the present government has brought runaway spending under control.

I am especially proud of the fact that the government has worked hard to reduce spending increases in the budget to 5.4% this year and 4.1% next year. For every new dollar in spending for which the budget provides, we are returning \$2 to taxpayers.

Over the last 13 years the previous government hoarded and hid billions of dollars from budget surpluses. Canadians were told on one occasion that the surplus was \$1.9 billion and then, after the fact, and perhaps the previous government was dyslexic, we discovered it was actually \$9.1 billion.

Canadians are justifiably angry when their hard-earned tax dollars are hoarded and then wasted in scandals such as the sponsorship program, the costly gun registry and the HRDC boondoggle.

Fortunately, today we have a new government that actually keeps its promises, a government that is focused and a government that has a plan and that plan includes tax relief for all Canadians, not just a select few.

The Budget

• (1710)

This is a budget that, unlike previous Liberal budgets, does not pick winners and losers, pitting one taxpayer against the other. It provides broad tax relief. This budget delivers on the promises that the Conservatives made and I made to British Columbians.

Let us have a look at that. B.C. alone will see a total tax cut of some \$1.2 billion. We are providing truly universal child care benefits of \$1,200 per child under age six. We are providing the gateway funding of \$591 million. There will be \$53 million for health care in B.C.. We see tax relief for the fishing industry, seniors, students and apprentices, and millions more to keep our streets and communities safe, more money for post-secondary education and infrastructure funding.

I want to talk about one specific issue in my community, which is immigration and providing some support for new immigrants. Approximately 25% of the residents in my community represent recent immigrants, let us say over the last 25 years. They needed help and it was not there. We are providing that help now as new immigrants come in to build our country, to integrate into our communities and to build the social fabric of our communities.

We are also providing \$1.5 billion for farmers. As I have said before, my community's lifeblood is the farming industry. Farmers need help. They needed a review of the CAIS program and we are now delivering on that promise. We are also providing \$400 million for B.C.'s strapped forest industry that has been devastated by the pine beetle infestation.

Ordinary British Columbians have reason to applaud. For a moment, however, I would like to speak about a group of people within my community who often have no voice and very little influence on decision makers. These are the homeless, those who, for whatever reason, have difficulty finding housing for themselves. My community of Abbotsford has experienced this problem firsthand.

As we know, housing prices on the west coast have sky-rocketed, placing incredible pressures on the poor in communities around B.C. In recent months the problem has become so acute in Abbotsford that a number of homeless have taken over a tract of land owned by the city and established temporary makeshift shelters. The area is known as compassion park. I want to commend the mayor and council of my community for their patience in holding off evicting these residents in order to seek a more permanent solution.

In fact, I am pleased to report that, together with numerous non-profit groups and charities, local churches and many caring residents, we are addressing the situation of the homeless in Abbotsford. I had hoped that as a federal government we would make our contribution to solving this problem. I am grateful to the Minister of Finance for specifically targeting British Columbia with an additional \$106 million for affordable housing.

We made a promise and we delivered. Will British Columbians be better off because of this budget? Absolutely. In fact, a family earning between \$15,000 and \$30,000 per year will be better off by almost \$300 in the year 2007, and those earning between \$45,000 and \$60,000 will save almost \$650. More important, this budget marks a distinct culture shift in Canada, as my colleague earlier alluded to, a shift from entitlement to accountability, from

overtaxation and uncontrolled spending to a government focused on priorities and fiscal prudence.

On January 23, Canadians voted for real change and this budget delivers the goods. Canadians finally have a government that takes its hands out of their pockets and delivers real tangible results.

• (1715)

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, I listened very carefully to the member for Abbotsford who talked about tax relief. If the member were an honest person, he would recall that in budget 2000 the largest tax relief program in Canadian history was rolled out of \$100 billion. It was a four year program ending in 2004. In 2006 there would have been an additional \$50 billion.

The member talked about EI, which is very significant. I would remind the new member that when the Liberal government took over from the Conservatives in 1993, 12.3% or 12.4% of people were unemployed in Canada. Just as the Conservatives took over, because they are fairly new, it is down to 6.3%.

What am I driving at? The EI rate at the time of the previous Conservative government was \$3.05 per \$100 of earnings. We reduced it year after year to what it is today at \$1.95. What does that mean? It means Canadians were paying less premiums but over three million of them were in secure jobs.

I want to ask the member to really be honest and just call a spade a spade.

Mr. Ed Fast: Mr. Speaker, I would never suggest that the hon. member is dishonest as he has to me. It is very clear, however, that over the years that the previous government was in power, it accumulated \$46 billion worth of EI premiums that did not have to be paid out. The Chief Actuary confirmed that there had been overcharging of premiums, money that was never needed to satisfy potential claims. We are returning \$20 billion to taxpayers in this budget. That is real money, addressing real changes for Canadians.

• (1720)

[Translation]

Mr. Robert Carrier (Alfred-Pellan, BQ): Mr. Speaker, I wish to avail myself of this first opportunity to congratulate you on your appointment as the Acting Speaker of this House.

The Budget

I listened attentively to the presentation by my colleague from Abbotsford. I would like to speak about the fiscal imbalance, as did my colleagues recently. It is very important for this matter to be resolved in Canada, given the difference between the revenues of the Government of Canada and those of provincial governments.

In addition, I would like to raise the issue of employment insurance. At present, the employment fund surplus totals about \$48 billion. Perhaps this surplus will be considered when examining the issue of restoring fiscal balance. Could the government not have immediately retained the idea of establishing the independent employment insurance fund? Thus, the surplus would not continue to grow and to be seen as a hidden tax on a specific category of citizens only. Why did the government not immediately decide to create an independent employment insurance fund?

[English]

Mr. Ed Fast: Mr. Speaker, the member is suggesting that somehow we should prejudice the process that the Prime Minister and this government are going through right now to address the fiscal imbalance. Our number one focus in this budget was to return money to taxpayers' pockets and we have done that in spades.

The response I have been receiving from my residents in Abbotsford has been overwhelmingly positive. It is about time we got our hands out of taxpayers' pockets.

On the issue of the fiscal imbalance, the Prime Minister has made it very clear on numerous occasions in the House and outside that he intends to address that issue and is working very hard with the provinces to do just that.

[Translation]

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, my question is about child care. The government intends to give all families \$1,200, which corresponds to a monthly amount of \$100. Has the Conservative government tallied all the administrative costs of this measure, compared to the costs associated with the Bloc Québécois suggestion of a refundable tax credit which would be given once per year? What is the government estimate of the administrative costs of this monthly \$100 payment?

[English]

Mr. Ed Fast: Mr. Speaker, that is the beauty of our universal child care credit program. It gives money. It puts cash into the pockets of Canadian families. It goes directly to the families that are affected. It is not going to the provinces to develop additional bureaucracies. This is money that families across Canada will get the benefit of immediately with the least amount of administration possible. I hope that answers the member's question because that was the purpose of that part of our budget. It is child care funding that goes directly to parents.

The Speaker: Order, please. The hon. member for Labrador is rising on a point of order. I will hear him now.

POINTS OF ORDER

REMARKS ATTRIBUTED TO MEMBER FOR SASKATOON—WANUSKEWIN

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, following question period today the hon. member for Saskatoon—Wanuskewin raised a point of order emanating from my question.

Specifically, the hon. member said that I had attributed remarks to him respecting, in his words, "race-based sentencing". The hon. member opposite denied making such remarks and asked that they either be placed on the record or that I or the hon. member for Desnethé—Mississippi—Churchill River retract our comments.

I wish therefore to clarify the member's request and draw the attention of all members to statements he made in this place on October 23, 2003, at approximately 6:05 p.m. concerning provisions of the Criminal Code and the Youth Criminal Justice Act. He said:

Presently the Criminal Code and the Youth Criminal Justice Act include sections that instruct sentencing judges to "pay particular attention to the circumstances of aboriginal offenders". These provisions can result in more lenient sentences for offenders based on race.

Furthermore, I would also like to hereby table for his information and for all members, and for the record, a true copy of a press release issued by the hon. member for Saskatoon—Wanuskewin on October 24, 2003, which is available on the member's website. It states:

The Liberal government sentencing reforms adopted in 1996 created a two-tier system of justice—one for aboriginals and one for non-aboriginals. These provisions can result in more lenient sentences for offenders based on race.

Having refreshed the memory of the member for Saskatoon—Wanuskewin regarding his regrettable remarks on this topic and placed them on the record here, he may wish to withdraw his point of order.

Mr. Speaker, I would like to ask for unanimous consent to table this document.

• (1725)

The Speaker: Does the hon. member for Labrador have unanimous consent to table the document he referred to?

Some hon. members: Agreed.

The Speaker: I thank the hon. member for his intervention. I am sure it will be noted in due course by the hon. member for Saskatoon—Wanuskewin. If further submissions are required on this point, I am sure the Chair will hear them.

Resuming debate. The hon. member for Welland.

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, and of the amendment.

The Budget

Mr. John Maloney (Welland, Lib.): Mr. Speaker, I will be splitting my time with the hon. member for Bonavista—Gander—Grand Falls—Windsor.

Given the strong fiscal record that the Conservatives inherited from the former Liberal government, it is surprising that the first Conservative budget lacks any substantive and real vision for Canada.

Never in the history of our country has any new government inherited such an excellent fiscal position that could have allowed the Conservatives to offer some very positive initiatives. It took our government three years to clear up the Mulroney Conservative deficit spending of \$42 billion, followed by eight consecutive surplus budgets with a projection of at least three to five more to come under a Liberal government.

Let me first address some of the alleged tax cuts. Chortling over the reduction of the lowest personal income tax rate from 16% to 15.5% provided comic relief if it was not so serious when one realizes that the 2005 personal tax rate was 15%, and the 15.5% proposed for 2006 tax year will actually be higher. Some tax relief. The reality is that next year Canadians will be paying more.

When experienced economists panned the 1% cut to the GST, the Conservatives plowed ahead with their political bribe. Let us acknowledge that compared to other nations the GST is not that oppressively high. As a consumption tax its reduction will assist higher income citizens to buy more big ticket items while only marginally benefiting lower and middle income earners. Further, for pensioners on an indexed income, there will be little if any benefit because, according to the Bank of Canada, it will lower the rate of increase of the consumer price index by 0.6%. This impacts recipients of old age security and the Canada pension plan, seniors who can least afford it, and in fact they deserve more. Cutting the GST may mildly stimulate an economy that really does not need it. What trade-offs is the government actually making?

In my riding, health care remains the number one priority. Unfortunately, the budget confirms that it does not fall within the Conservatives' five priorities. Yes, there was the patient wait times guarantee, but where is the new money? We are still looking for it. What they have done is to rely on the funding of the Liberal 10-year, \$41 billion health accord that created a \$5.5 billion wait times reduction fund. The Liberals were on the mark, were they not?

Canadians across the country will soon appreciate that it was the Liberal government that worked with the provinces and territories to establish benchmarks for medically acceptable wait times, to set reductions for key medical procedures, to integrate foreign trained medical professionals, and to supplement shortages within the Canadian medical field. A stronger, better health care system is a priority for Canadians that the Conservative government continues to overlook.

All of our agricultural sectors are under financial stress and we all know it. What is essential is that in order to get our best value for our money, we must ensure that farmers in the most need will get the money now as we head into the planting season. They need a cheque to take to the bank now.

The Conservative budget commits no emergency funding for spring planting. In the last campaign the Liberals acknowledged that improvements were needed to the Canadian agricultural income stabilization plan, CAIS. The Conservatives pledged to scrap it.

It is most interesting to note that the Conservatives will now turn to CAIS to distribute the money the federal budget has designated for our farmers. Will the new government ensure that the distribution of money under CAIS will address the inequities in farm and rural communities across Canada? We have yet to hear the answer.

The government says it is providing \$1.5 billion, but that money will go to inventory evaluation and reforming CAIS, not to producers who are in dire need of immediate financing.

The farmers need \$1.6 billion over and above the existing program. Compare the Conservative approach to the Liberal government that provided \$1.8 billion in emergency funding in 2005 which was over and above more than \$206 million provided in the Liberal budget for Canadian producers. Canadians in the agricultural sector will soon appreciate that a Liberal government was a good government and they will want it back.

The tender fruit farmers and grape growers in my region of Niagara were disappointed that their request for assistance for a replant program to assist the industry went unheard. I will continue to lobby for this well thought out and doable initiative to assist Niagara farm communities.

Post-secondary education for our students and research and development for the institutions they attend are the building blocks upon which Canada and Canadians will compete in the highly competitive global economy. Welland riding is home to Brock University and Niagara College. How do they fare? On this the Conservative budget gets a failing grade, the results of which will be felt in the years to come. Yes, there was a pledge of \$1 billion in much needed university infrastructure, but it is not new money at all. It was money committed by the former Liberal government under last year's Bill C-48.

Where is the money for research and development that until now has thrust Canadian universities and colleges into the forefront of the knowledge based, technology driven, skills intensive and highly competitive global economy? The lack of such funding will relegate us to the backwater of mediocrity in the G-7.

● (1730)

Removing the tax on scholarships is helpful to the minority of students who receive such awards, although few students pay income tax in any event.

The Budget

What about the vast majority of talented and smart young men and women who do not win scholarships? Where is the relief for them? There was the expansion of the Canada student loans program which may be advantageous for some. However, the reality is that these students will still fall further into debt, a debt that must be repaid.

Then there is the \$500 book credit that translates into 60 or 80 real dollars when most students must spend \$1,000 to \$1,500 on books annually. Compare this with the Liberal plan to provide 50% of tuition costs of a student's first and final year of a four year program to a maximum of \$6,000. Those are real dollars addressing real needs for our university students.

The Prime Minister has revealed plans to slash \$1 billion a year for the next two years on unidentified programs. What vital programs for rural communities will be slashed? Regional development agencies such as Ventures Niagara and the South Niagara Community Futures Development Corporation were shut out of this budget. Regional development agencies such as the Atlantic Canada Opportunities Agency, ACOA, Community Economic Development Québec, CEDQ, the Federal Economic Development Initiative for Northern Ontario, FedNor, and Western Economic Diversification, WED, have done much to help small towns and rural areas. Are we to believe that the Conservatives have turned their backs on this important part of the economic and social fabric of our country? Do they no longer fit into a Conservative Ottawa? The budget tells the tale. It looks too much like yes.

Let me turn to the subject of early learning and child care and the cancellation of the agreements signed by the Liberal government with the provinces in favour of a taxable \$1,200 payment to parents of preschool children. Twelve hundred dollars looks and sounds good but what it amounts to is a few dollars a day after taxes. That is more fluff and smoke and mirrors. It does not go anywhere near the daily cost of child care of \$35 to \$40 a day in my riding.

This is not a child care strategy nor a solution. It does little to help children in care and nothing to help those who cannot find affordable child care at this time. The government suggested this program will provide choice. Where is the choice if there are no places to care for one's child?

The Liberal program was not just about child care. It was about better care and development. It was not just the creation of spaces, but on giving our young children an intellectual boost, a head start which in the long run would help these children develop in primary school, secondary school, and at college and university. Not only would it help themselves but our country in an increasingly competitive world. This is not fantasy; this is reality, and it is what the Conservatives have turned their backs on.

Many have suggested that the Conservative government has introduced a pro-pollution budget by slashing support for the environment.

Indeed, the Conservative budget has all but gutted every cent the previous Liberal government committed toward the protection of Canada's environment. This budget represents a 93% cut to environmental funding and a complete disaster for future generations.

It also represents a 100% cut in funding for climate change ensuring that Canada will be unable to meet its Kyoto commitments. With no money for Great Lakes cleanup, renewable energy, energy retrofits, energy efficient programs, brownfield cleanup or green innovation, the Conservative government is undoing the progress we have made. The citizens of the Niagara region are sensitive to these issues and will remember at election time.

I offer the foregoing comments in a critical but constructive way. I also wish to acknowledge some quasi-positive features of the budget. Although designed to court the favour of designated groups, most are really only veneer deep.

The \$1,000 Canada employment credit recognizes the expenses related to employment responsibilities such as uniforms. It really does cost to work and a credit provides some relief, perhaps the cost of one pair of work boots.

The apprenticeship job creation tax credit will encourage individuals to enter the trades and the \$500 deduction for the cost of tools will help them as well. Again, a credit provides some relief.

Reduction of the permanent resident application fee by 50% will assist our newest citizens to continue their integration into Canadian society.

The \$500 tax credit to cover registration fees for children's sport programs will strike a chord with hockey and soccer parents, but what about the parents who cannot afford to put their children into sports programs? What about children who are attracted to other forms of recreation, such as music, dancing or drama? Are their parents not worthy of assistance as well? This credit will translate into between \$60 and \$80 a year, perhaps enough to buy a pair of skates or soccer shoes.

Do we see a pattern here? Most of these items are tax credits, tax credits, tax credits which look good on the outside but will reflect considerably less when people file their income tax returns on April 30 next. Smoke and mirrors and fluff. Do not worry. The taxpayers will catch on soon enough.

• (1735)

Mr. Nathan Cullen (Skeena—Bulkley Valley, NDP): Mr. Speaker, I would like to pick up on one portion of my colleague's speech where he painted what I would suggest is a picture that is not entirely accurate.

I recall in the last federal Liberal budget there was a clause that forgave the loans of students who were permanently disabled or students who had died. Outside of that, the New Democrats in this corner of the House were shocked not to find any other substantive measure to help students directly with their student debts.

The Budget

This is obviously something that has been identified in the chamber and in committees year in and year out. Over the 12 or 13 years that the Liberal Party was in government, one would have thought there would have been attention paid to that. Over those 13 years the average debt in this country went up \$1,000 per year each and every year.

There is this growing transfer of debt burden from the government and the provinces to the students. It was shown in the numbers. It was not until the NDP pushed the government to find the money that everyone knew it had but which had gone into corporate tax breaks, that it finally showed up.

Now the Conservatives have come to power and are allowing students to take bigger loans. That is the Conservative solution.

Would the member clarify the actual history under the previous government and particularly with the last Liberal budget? In particular Bill C-48 finally put the money in that students, universities and colleges had been requesting for years, but their requests had been falling upon deaf ears.

Mr. John Maloney: Mr. Speaker, the hon. member may recall it was the NDP who collaborated with the Conservative Party and the Bloc to bring down the federal Liberal government. The program which I elaborated on, the \$6,000 in tuition assistance for a four year program would have been put in place.

Since you pulled the rug out from underneath the Liberals, how can you now criticize us when we had a program that was going to go forward?

Research and innovation was fantastic as far as universities go. The university community was most appreciative of the Liberal government and now it has been shut out again.

Where does that put our competitiveness in the global world? We need the assistance which is lacking under the current government.

The Acting Speaker (Mr. Andrew Scheer): I hope the hon. member for Welland was not implying that I pulled the rug out from under anyone. Members are supposed to address their comments and question through the Chair.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, my hon. colleague touched upon some very important issues. Earlier on we talked about the homeless and housing. I am not sure, but perhaps he can recall that in Bill C-48, and I believe that was the support we gave to the NDP, there was money for affordable housing. I think the amount was \$1.6 billion. There was also money with respect to students which we were about to implement. I believe there was money for transit systems.

Would the member elaborate on what happened to that money? Why did it not come to fruition? Why did the money not get to where we it was supposed to go?

Mr. John Maloney: Mr. Speaker, quite frankly, the government fell and all these wonderful initiatives could not move forward.

We are certainly lacking social housing in Canada. It is lacking in my riding. It is a very serious situation.

Major urban centres are being choked with the exhaust of motor vehicles. There is congestion and people cannot get where they are

going because of gridlock. We need more efficient transit systems. Our proposal would have assisted. Unfortunately, it did not pass.

• (1740)

Mr. Nathan Cullen: Mr. Speaker, after 13 years of being in government and being unable to do anything, the hon. member stands and challenges the House to consider a Liberal promise, and the two words “Liberal” and “promise” are important to be considered together, and asks students to cash in on that promise. He knows full well that Bill C-48 was done at the behest of the NDP and pushed through the House to actually make something happen, rather than a promise.

If he would still like to fight the last election and cannot get over the notion that Canadians actually voted the Liberals out of office for their many years of poor government, we should have a cup of coffee and I will explain the electoral process to the member if he would like.

Mr. John Maloney: Mr. Speaker, the Liberal government was criticized for certain factors in the last electoral campaign but it was not its record. Its fiscal record was excellent. The Liberal government reduced a \$42 billion deficit down to zero and presented eight consecutive balanced budgets with at least three to five more predicted.

That was an excellent position and we could have done wonderful things. Unfortunately, the NDP sided with the Conservatives and the separatists and brought the Liberal government down. Now they think we are to be criticized because we did not bring these programs forward. We should have, could have and would have.

Mr. Scott Simms (Bonavista—Gander—Grand Falls—Windsor, Lib.): Mr. Speaker, I watched with interest the exchange that took place. I propose that we take the temperature down just a little so I can talk about my wonderful riding.

As this is my first speech in this Parliament, I would like to thank the voters of Bonavista—Gander—Grand Falls—Windsor for giving me this honour once again.

An hon. member: They made a great choice.

Mr. Scott Simms: See, I told you we could bring the temperature down, Mr. Speaker. How about that?

I want to start by talking about the dynamics of the riding. I also want to talk about rural Canada and in particular, rural Newfoundland and Labrador.

My riding has over 200 communities, an incredibly large number of communities. They are all small and very rural but unique and very special, each and every one of them. When we consider government policy, it is always a balancing act between the urban areas and the rural areas, and sometimes we forget that the rural areas of this country, in particular those in Newfoundland and Labrador, mean a lot. They are engines that provide our food. They provide many of our workers as well. Sometimes we tend to forget that.

The Budget

I would encourage all members who are rural MPs, whether they are red, blue, yellow, green or whatever, to speak out loudly that rural issues are very important. Because our ridings are not overly represented in this House, and I say that somewhat facetiously, we do have to stand up. I invite all members to do that. In the past little while the debate has brought many of these issues to the forefront and I congratulate all of my hon. colleagues in doing that.

In my riding and in the province of Newfoundland and Labrador, fishing is a major occupation. Many of the people in my riding call it the backbone of Newfoundland and Labrador and I agree. It has been for over 500 years. We are the oldest colony in North America and we have a tremendous, rich history in fishing.

When it comes to the budget, I heard one hon. member from Nova Scotia talk about reciprocity and giving accolades. I will start this by saying that I give accolades to the government on the issue of the \$500,000 capital gains tax exemption. It is something that has been fought for for an incredibly long time. I would like to personally congratulate the member for Cardigan in Prince Edward Island for his tremendous work on a private member's bill to make this happen. Now the government has included it and I congratulate some of the members opposite who worked with me on the fisheries committee.

However, what bothers me about this particular budget is not so much what was said, but what was not said.

Currently in Newfoundland and Labrador fish processing is going through probably one of the toughest times ever. There is a company called FPI, Fishery Products International. The primary processing group is facing incredibly tough times and is now about to make some very tough, detrimental decisions. The government needs to be there for the workers. This is essential for Newfoundland and Labrador. It is essential for the people who work in the fishing industry. Generation after generation it comes down to this in our industry.

What was not mentioned in the budget was the fact that what is needed for hundreds of plant workers in Newfoundland and Labrador is an early retirement program. I hope members are listening. They do not seem to be but I would like to repeat that one more time. We need an early retirement program in the fishing industry, licensed buy-back. We need to rationalize the industry itself. What this early retirement program would do is it would save our communities. It would not take much for the government to look to the people in the outports of Newfoundland and say, "We believe in you and we believe in your communities, and if you want to transition into something else, we will let you do that".

There are incredible opportunities in the oil and gas industry. We have a talented workforce, young, bright, energetic, but they are leaving. They are leaving in droves. At Gander airport I am tired of walking over the puddles of tears shed by mothers and fathers who are crying because their children are leaving, not because they want to but because they have to. It is one of the most pathetic sights to see in my riding.

• (1745)

An early retirement program allows workers aged 50 to 55 to leave the industry with grace. It gives them the exit strategy to allow young people into this industry and it allows those young people to

stay home. It allows them to build futures in their homes from Buchans to Bishop's Falls and from Twillingate to Bonavista and all points in between.

These people who have young children watch them and educate them, and they believe in them, but they also believe in their communities. Several years ago now, the FFAW, the union in Newfoundland and Labrador, put forward a good formula for early retirement. The average age of a worker in a plant is now above 50. We walk into a plant and see so many people above the age of 55 that, as we say in Newfoundland, it is a sin to watch. It is a shame. They want to get out. They need this. And we want their young people to stay.

I would implore the people across the way in government: when they do their study, when they look at this, I implore them to look at the people of the community who want to stay in the community and build. What they mentioned in the budget was retraining. That goes a certain way, but first things first. Somebody who is 54 or 55 years of age does not want to go back to be an aeronautical engineer. That person wants his or her children to do it, but the children are in Alberta or Ontario. No offence to said provinces, but I need to—

An hon. member: They're smart kids.

Mr. Scott Simms: My hon. colleague just said they are smart kids. With all due respect to the minister across the way, they are smart kids, and to take them from us simply out of necessity and forget what they are coming from is a shame.

As well, the licence buyback was not addressed in this budget, which is what disappointed me most. Are they smart kids for leaving my province? No, it is out of necessity. It does not make them brilliant, but it makes them energetic and industrious, and we want that in Newfoundland and we want that in Labrador. This government is a national government. It is not set up for one particular province or one particular area; it is set up from coast to coast to coast.

The other industry I talked about is forestry. In central Newfoundland right now it is one of those industries that gets overlooked. There is a forest industry in paper products. It is also having tough times right now. In the last session of Parliament, we put forward some fantastic measures in forestry for implementation in the smaller communities that are faced with an incredibly bad newsprint market, the high dollar and, of course, a depressed market in the newsprint industry. We made some solid gains.

I did not see many of them show up in this particular budget, but I hope that down the road they will. I have one glimmer of hope in that, because I do respect the former minister, with whom I have had several discussions about these forestry initiatives. I thank him for his sincerity.

I also would like to talk about seasonal work. EI reforms are absolutely necessary for the smaller communities to survive. We need the best 12 weeks and 360 hours. This is something we need in order for these communities to survive. We have had pilot projects that have worked. The question was asked in the House if the extra five weeks on a claim is good for seasonal workers. Go forward with that, I say. Now is the time. Time is wasting. The season goes on.

The Budget

• (1750)

I have one final point and that is the Atlantic accords. Let me read for members something from the budget that is very alarming: “The confidence of Canadians in the overall fairness of federal programs has been undermined...”. As for the chief example used, the February 2005 agreements to provide Nova Scotia and Newfoundland and Labrador additional fiscal equalization, it is called a mistake.

I hope that in the negotiations over equalization our dreams and aspirations over the Atlantic accord will not be discarded. I do believe Newfoundland and Labrador is the jewel of the North Atlantic and that we will always prosper.

Hon. Carol Skelton (Minister of National Revenue and Minister of Western Economic Diversification, CPC): Mr. Speaker, I enjoyed listening to my colleague. I have a son who lives in Fort McMurray, Alberta. He is working there and has many colleagues from Newfoundland and Labrador. It is interesting that on Sunday mornings there they have two hours of programming from the Maritimes.

I want to know what the member thinks about the apprenticeship programs and the things we have in our budget to enable students to take up their apprenticeships, as well as the tax breaks on tools and all those kinds of initiatives.

Mr. Scott Simms: Mr. Speaker, I appreciate my hon. colleague's comment. Let me go back to the point I made earlier. I do appreciate the fact that there is to be a tax credit to help workers. However, the situation in my riding is grave to the point where the job itself is essential. The government has gone this far, and now it should try to go that much further. It is not going to be as hard as the member thinks.

The thing about the EI reforms and early retirement programs is that they give people that start and allow them to retrain, to get into something else if they choose to do so. Let me describe it for the member this way. The tax credit the member spoke of is similar to candy. It tastes wonderful, but at the end of the day it does not do much for us.

In comparison, let us talk about income tax cuts. Let us talk about EI reforms. And let us talk about an early retirement program and a licensed buyback program to get these people into their communities

. I have no disrespect for any communities of northern Alberta, none whatsoever, and I applaud them in their efforts, but I want to applaud my own communities: those in seasonal work who need that transition. We were on the way and I hope the government does not squander that opportunity. That is why I am voting down this budget.

• (1755)

[*Translation*]

Mr. Yves Lessard (Chambly—Borduas, BQ): Mr. Speaker, I have a question for my Liberal colleague, the member for Bonavista—Gander—Grand Falls—Windsor, who just spoke.

I am pleasantly surprised to hear that he advocates employment insurance reform with a focus on seasonal workers and income support for older workers who have unfortunately lost their jobs.

I will not dwell on the fact that, until recently, he was a member of the government, and that while in power, his party turned a deaf ear to the opposition's representations. If I understand correctly, he is now personally advocating employment insurance reform.

This week, the Bloc tabled an employment insurance reform bill. Am I right in thinking, given his statements, that he will ensure that his Liberal colleagues vote for a complete overhaul of employment insurance?

[*English*]

Mr. Scott Simms: Mr. Speaker, that program I spoke about earlier, the extra weeks at the end, was an initiative brought in by us. It was an essential first step. The other step we brought in at that time was the 14 weeks for qualification. It was another essential first step. Were we going to go further? Yes, and we will. Do I support initiatives that bring seasonal workers to the fore? Absolutely, to the day I die.

It does not matter whether we cross from one party to the next, if we look at one party and say we cannot vote that way because we are from one particular party, because it is essentially the issue itself that brings seasonal workers back into this workforce. I do not believe that the EI system is strictly for people who face unexpected job loss and I will repeat that: unexpected job loss. In the past, the current government has used that term. Seasonal work is not about unexpected job loss. It is about rural survival.

The other issue is training, as I mentioned earlier. I hope the Bloc supports this as well, but if there is a study to be done in retraining, then I suggest that we invest in the post-secondary skills that are needed in areas such as aeronautics, such as in the town of Gander. We do have the workforce that can attract people, but we have to maintain that workforce. I look forward to supporting more EI reforms.

Mrs. Cheryl Gallant (Renfrew—Nipissing—Pembroke, CPC): Mr. Speaker, I will be sharing my time with the member for Edmonton Centre.

It is an honour and a privilege to rise today on behalf of the people of Renfrew—Nipissing—Pembroke to participate in the first Conservative federal budget in 13 years to address the concerns of Canadians. The budget plan of the new Conservative government is called “Focusing on Priorities”. The priority this government is focusing on is people: Canadians and their families.

That represents a fundamental change in attitude on behalf of the Government of Canada. For the first time in over a decade, Canadians from all walks of life will start to see the change in attitude that has only become possible with a generational shift in leadership in this country. That comes from electing a Prime Minister who is a member of this generation, the one that the demographers call the baby boomers.

Who better understands the needs of a majority of Canadians who are raising a family day to day than someone who is experiencing the day to day responsibilities of raising a family? Who else but a parent whose children are involved in organized physical activity could see the great benefit of government encouraging that activity?

The Budget

These are the types of policies that represent a generational shift in thinking, from the old to the new. There is no doubt that the membership of the official opposition has been reduced to a club of grumpy old men. The mindset of the old party establishment, with its cult of leadership, was symbolized by a ruling clique. This was pathetically demonstrated by the claims of entitlement that Canadians heard from members of the old boys club when they were caught with their fingers in the taxpayer-funded expense claims cookie jar.

The debate over the GST is a prime example of how the budget of the new Conservative government represents fresh, innovative thinking on the part of the Prime Minister. There is no question that the tough decisions that allowed for balanced budgets were made by the former Conservative government in the 1980s.

The fact that the past administration shamelessly tries to take credit for past Conservative leadership has to be the most comical position the Liberal Party has ever taken, in that it has claimed ownership of the GST. The GST has become Liberal tax policy. The member for Markham fiercely defends the Liberal GST against all attacks. The party that campaigned on eliminating the GST has become the party of the GST. How appropriate.

Let us talk about the GST. If there is one tax that affects all Canadians, it is the GST. If there is one tax reduction that will benefit all Canadians, it is a reduction in the GST. It is as simple as that. The money that is saved by Canadians through reducing the GST returns directly into the economy, where it does the greatest benefit.

When a farmer in my riding of Renfrew—Nipissing—Pembroke purchases a new piece of equipment, he will see the benefit immediately. The GST is being lowered effective July 1 of this year, not three, four or five years from now. The previous regime would announce and re-announce tax changes that never seemed to happen or were so complicated that ordinary Canadians could never tell if the changes were really made. That farmer, in addition to joining all Canadians with a cut in the GST, will also see \$1 billion in new funding for farmers added to the GST tax cut, which is a measure that will benefit all Canadians.

When loggers in places like Madawaska, Palmer Rapids and Deux-Rivières replace a piece of equipment, they will have the benefit of a reduced GST. They will have the benefit of the new federal government that negotiated an agreement to end the softwood lumber dispute. This dispute created much hardship for the loggers and their families who work in the forest industry. It was time for leadership and our Prime Minister delivered.

● (1800)

On July 1, working Canadians, like the farmers and foresters in my riding of Renfrew—Nipissing—Pembroke, will pay less tax thanks to a brand new \$1,000 Canada employment credit. The new \$1,000 credit, in addition to the \$500 deduction for the cost of tools tradespeople are required to purchase to work their trades, will benefit all working Canadians.

I know the mechanics I rely on at Butler Chev-Olds as well as those at Rick Voskamp's local Suzuki dealership will appreciate that tax credit, as will all tradespeople in my riding who are required to purchase tools as a condition of employment. The families of those

same tradespeople will appreciate the recognition our new government places on the work they do. If their children decide to follow their parents' footsteps into the trades, our new Conservative government is there to assist with help for apprentices themselves as well as the people providing the apprenticeships.

Our help for families with children is not limited to the trades.

Not only is our Conservative government eliminating federal income tax on all income from scholarships, bursaries and fellowships, a new textbook tax credit will assist students in purchasing the textbooks they need to study. This is being done at the same time we are expanding eligibility for the Canada student loan program.

While these measures assist families with children as they prepare to leave the nest, our new Conservative government has focused on the priority of assisting Canadians with young children with a plan that respects parents and the fact that like every child, every household is unique.

On July 1 of this year, not three or four years from now or never as the case used to be under the old government, the new Conservative universal child care benefit will provide all families with \$1,200 per year for each child under six. In addition to trusting parents to make their own choices, when it comes to child care, the new Conservative government will allocate \$250 million to create real child care spaces and develop a plan that actually provides the spaces. This second point is very important when one looks at what has happened in the province of Ontario.

In my riding of Renfrew—Nipissing—Pembroke, in the case of child care, this program has been downloaded to the County of Renfrew by the Ontario government. In order to access the dollars that are offered by the province, the County of Renfrew is being asked to cost-share on an 80:20 split for child care funding. The federal government allocates 100% to the Province of Ontario, which in turn directs it to the municipalities that are expected to deliver the program.

As the Consolidated Municipal Service Manager, CMSM, for child care services, the County of Renfrew is expected to make up any funding shortfall through its already overburdened and over-taxed municipal property tax base. This is not feasible. With some of the highest property tax rates in the Province of Ontario, the County of Renfrew chose to opt out of those child care programs because it recognized that its taxpayers could not afford to subsidize through their property taxes. The 20% cut that the province was taking was going to have to be made up by the everyday taxpayers of Renfrew county.

The Budget

By targeting child care spaces in businesses and community organizations that require assistance, spaces will actually be created by our new Conservative government. This directs the child care where it is needed, without creating financial hardship on individuals on fixed incomes who are struggling to pay high property taxes. The additional burden on the CMSMs in Ontario results in the conflict of social services versus cuts to basic services like fixing potholes in roads. Shuffling funds between levels of government does not create child care spaces.

I briefly wish to touch upon the plight of older workers and the need to respond to those situations where older workers, through no fault of their own, find themselves facing unemployment.

Recently it was announced by Smurfit-MBI that its Pembroke plant would be closing, throwing 139 employees out of work. I want to assure the employees at Smurfit-MBI that it is a priority of myself and the new Conservative government, as identified in the budget, to assist them so they are able to continue to contribute their talents and experience in gainful employment.

● (1805)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I listened to my colleague's comments with great interest and I appreciate them.

She mentioned the investment in post-secondary education and the tax cuts for books, scholarships and things like that.

In the economic update, which was introduced in the House in November, there were the following commitments: \$2.2 billion for student financial assistance for low income Canadians; \$550 million to extend the Canada access grants for low income Canadians; \$3.5 billion for workplace based training; \$1 billion for infrastructure; \$265 million to specifically bring people with disabilities into the workforce; \$1.3 billion for settlement and integration; and \$2 billion-plus dollars for university research, 10 times as much as was in the budget.

We have already reversed the brain drain in our country and we have brought researchers back here in the last number of years, and that is mentioned in the budget document. The most important part of that for me is the issue of student access. There are hundreds of thousands of students across Canada who cannot afford university. Nova Scotia's tuition is \$6,000 to \$8,000. Does the hon. member really think \$80 will help those students?

Mrs. Cheryl Gallant: Mr. Speaker, as I mentioned before, students will be receiving the scholarships and bursaries tax free. In addition, we are expanding the eligibility for the Canadian scholarship program and we have the textbook tax credit as well. Many university students have to take mass transit and we will be providing tax credits for the monthly bus or transit passes that will be required. In addition to younger students, we have older students. As I said in my speech, we have the older workers at Smurfit-MBI who, I hope, will be continuing their education as well.

In the brief time allotted to me to speak on behalf of these residents, I focused on the benefits that our first budget provided to all Canadians.

We recognize that it is the middle class in our country who pay the bulk of the taxes, so it should be the middle class who should first

see the benefits of a government committed to the tax cuts to improve their quality of life.

● (1810)

Mr. Blaine Calkins (Wetaskiwin, CPC): Mr. Speaker, my hon. colleague spoke quite a bit about education in her speech. I am a former faculty member of a college in Alberta for the last five years and I have a post-secondary education, with three different post-secondaries. When I was young and going to university, I applied for student loans.

Coming from a farm background, we were a fairly poor family. I would apply for and get a fairly good student loan and a bit of a bursary. Then I found out, when I worked and had to claim that as income, a bunch of the bursary was clawed back from me at the end of the tax year. I could not claim for books or for any of those things.

Could the member elaborate on how much money a student will be able to earn in a given year, including bursaries, before they are even on the tax roll? I know it is quite a significant number, so I hope she can tell me that.

Mrs. Cheryl Gallant: Mr. Speaker, I have an example. If a student receives a \$15,000 scholarship and also earns an additional \$10,000 in 2007 by working as a teaching assistant, he would have a significant exemption.

For hard-working students, who are working their way through school, like my hon. colleague, that \$1,000 employment credit will apply as well. Just by virtue of working toward his education, he will be earning another \$1,000.

[Translation]

The Acting Speaker (Mr. Andrew Scheer): We have just enough time for a quick question and a quick response.

The hon. member for Gatineau.

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, my colleague for Renfrew—Nipissing—Pembroke has an Acadian surname that affirms all of Canada's francophonie, a name of great gallantry. I would therefore like to ask her the following question. How is it that the budget does not provide for help to the Fédération des communautés francophones et acadienne du Canada for the development of Canadian francophone minority communities? There is no doubt as to the alarming rates of assimilation in Canada in francophone minority communities. Why is there no investment to help the federation and expand its budget, as it had requested?

[English]

Mrs. Cheryl Gallant: Mr. Speaker, the new Conservative government tried and succeeded in providing broad-based tax benefits to all Canadians.

Mr. Laurie Hawn (Edmonton Centre, CPC): Mr. Speaker, I am very happy to stand in my place and speak in support of our government's historic budget for the three minutes that I have.

It has been a very long time since there has been such an agenda of hope for Canadians. I congratulate the Prime Minister and the Minister of Finance for their vision and courage. They have presented a balanced budget that significantly cuts taxes, focuses federal spending and pays down debt.

The Budget

When I get up in the morning and turn on the lights, I pay a tax on the electricity. When I run my shower, I pay a tax on the water. When I brew my coffee, I pay an import tax on the beans. When I get into my car and drive away, I pay a tax on the gas. I pay a tax on the road on which I drive. I pay a recycling tax on the tires. I pay a tax to the street cleaner or a tax to the snow clearer. If I take the bus, I pay a transportation tax. Before I get on my flight to Ottawa, I pay an airport improvement tax. En route to Ottawa, I pay a tax on the jet fuel that the plane is burning. I pay a tax so air traffic controllers keep my aircraft apart from others. When I land in Ottawa, I pay a landing tax. When I check into my hotel, I pay a commercial accommodation tax. When I eat at a hotel restaurant and have a glass of wine, I pay a hospitality tax. If I go to a movie, I pay an entertainment tax. Every single item I buy is taxed. Every April 30 the government takes several more pounds of flesh in the form of income tax. Finally, when I die, my last act after death will be to pay tax.

When we refer to death and taxes it is definitely and ultimately in that order.

Canadians are tired of being overtaxed. That is why our budget has introduced tax relief of over \$20 billion in two years, more than the last four federal budgets combined.

On January 23, the Conservative government inherited a 13 year old elephant of overtaxation, procrastination, unaccountable spending and many other impediments to long term progress and prosperity. We cannot eat an elephant like that in one sitting, but this budget has taken one heck of a bite out of the pachyderm's posterior. We know it, Canadians know it and the opposition knows it. That is why Canadians have expressed strong support for the budget. That is why all hon. members in the House should rise in support of the budget.

● (1815)

The Acting Speaker (Mr. Andrew Scheer): It being 6:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment now before the House.

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Andrew Scheer): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Andrew Scheer): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Andrew Scheer): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Andrew Scheer): Call in the members.

● (1845)

[*Translation*]

(The House divided on the amendment, which was negated on the following division:)

(*Division No. 5*)

YEAS

Members

Alghabra
Atamanenko
Bains
Beaumier
Bell (Vancouver Island North)
Bennett
Black
Bonin
Brison
Byrne
Chamberlain
Chow
Coderre
Crowder
Cullen (Etobicoke North)
D'Amours
Dewar
Dhalla
Dosanjh
Easter
Folco
Fry
Godin
Graham
Holland
Ignatieff
Julian
Karetak-Lindell
Khan
LeBlanc
Malhi
Marleau
Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Émard)
Masse
Matthews
McGuinty
McKay (Scarborough—Guildwood)
Merasty
Murphy (Charlottetown)
Neville
Pacetti
Peterson
Proulx
Redman
Rodriguez
Russell
Savoie
Sgro
Silva
Simms
St. Denis
Stoffer
Szabo
Temelkovski
Tonks
Wasylycia-Leis
Wrzesnewskij

Angus
Bagnell
Barnes
Bélanger
Bell (North Vancouver)
Bevington
Blaikie
Boshcoff
Brown (Oakville)
Cannis
Charlton
Christopherson
Cotler
Cullen (Skeena—Bulkley Valley)
Cuzner
Davies
Dhaliwal
Dion
Dryden
Eyking
Fontana
Godfrey
Goodale
Guamieri
Hubbard
Jennings
Kadis
Keeper
Layton
Lee
Maloney
Marston
Martin (Winnipeg Centre)
Martin (Sault Ste. Marie)
Mathysen
McCallum
McGuire
McTeague
Minna
Nash
Owen
Patry
Priddy
Ratansi
Regan
Rota
Savage
Scarpaleggia
Siksay
Simard
St. Amand
Steckle
Stronach
Telegdi
Thibault (West Nova)
Wappel
Wilson
Zed- — 116

NAYS

Members

Abbott
Albrecht
Allison
Anders
André
Bachand
Barbot
Bellavance

Ablonczy
Allen
Ambrose
Anderson
Asselin
Baird
Batters
Benoit

Bernier	Bezan
Bigras	Blackburn
Blais	Blaney
Bonsant	Bouchard
Boucher	Bourgeois
Breitkreuz	Brown (Leeds—Grenville)
Brown (Barrie)	Bruinoooge
Brunelle	Calkins
Cannan (Kelowna—Lake Country)	Cannon (Pontiac)
Cardin	Carrie
Carrier	Casey
Casson	Chong
Clement	Crête
Cummins	Davidson
Day	DeBellefeuille
Del Mastro	Demers
Deschamps	Devolin
Doyle	Duceppe
Dykstra	Emerson
Epp	Faille
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Freeman
Gagnon	Galipeau
Gallant	Gaudet
Gauthier	Goldring
Goodyear	Gourde
Grewal	Guay
Guergis	Guimond
Hanger	Harper
Harris	Harvey
Hawn	Hearn
Hiebert	Hill
Hinton	Jaffer
Jean	Kamp (Pitt Meadows—Maple Ridge—Mission)
Keddy (South Shore—St. Margaret's)	Kenney (Calgary Southeast)
Komarnicki	Kotto
Kramp (Prince Edward—Hastings)	Laforest
Laframboise	Lake
Lalonde	Lauzon
Lavallée	Lemay
Lemieux	Lessard
Lévesque	Loubier
Lukiwski	Lunn
Lunney	Lussier
MacKenzie	Malo
Manning	Mayes
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Menzies	Merrifield
Miller	Mills
Moore (Port Moody—Westwood—Port Coquitlam)	Nadeau
Moore (Fundy Royal)	Norlock
Mourani	Obhrai
Nicholson	Ouellet
O'Connor	Paquette
Oda	Perron
Pallister	Picard
Paradis	Poilievre
Petit	Preston
Plamondon	Reid
Prentice	Ritz
Rajotte	Sauvageau
Richardson	Schellenberger
Roy	Skelton
Scheer	Solberg
Shipley	St-Cyr
Smith	Stanton
Sorenson	Strahl
St-Hilaire	Thibault (Rimouski-Neigette—Témiscouata—Les
Storseth	Thompson (Wild Rose)
Sweet	Toews
Basques)	Turner
Thompson (New Brunswick Southwest)	Van Kesteren
Tilson	Vellacott
Trost	Vincent
Tweed	Warawa
Van Loan	Watson
Verner	Yelich— 174
Wallace	
Warkentin	
Williams	

PAIRED

Nil

Adjournment Proceedings

The Speaker: I declare the amendment lost.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

• (1850)

[*English*]

POST-SECONDARY EDUCATION

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I appreciate the opportunity to speak to the issue of education in Canada. My remarks will deal with a question I recently posed to the minister, a question to which she was unable to respond, leaving it to the finance minister and then the intergovernmental affairs minister.

Other than a recitation of Liberal accomplishments, of which I was already familiar, there was no answer provided on this hugely important issue. Why is education important? Well, it is. Early learning, child care, pre-k to grade 12, university, community college and upgrading of skills throughout life are critically important.

From an economic perspective, Canada's labour market faces a significant shortage of skilled workers. In an increasingly competitive global economy, these shortages will have a serious impact on our economy. Countries across the globe, certainly the emerging giants, China, India and Brazil, are investing heavily in research and in their universities and colleges. There is a growing recognition that maintaining our continued success in Canada will depend on our ability to compete in the global knowledge economy.

The previous Liberal government invested close to \$13 billion in research and innovation over the last decade, information that the government boasts about in its budget documents. Canada now leads all G-7 countries in per capita investment in university research. These investments have had a huge benefit to our economy, to the development of new technologies and to retaining and attracting top researchers. We have reversed the brain drain.

As chair of the Liberal caucus on post-secondary education and research, I had the opportunity to travel the country and meet with students, professors, researchers and university and community college presidents. The entire sector acknowledges the hugely valuable contribution of the government. They also understand that we cannot let up. We need to continue to invest our financial capital in order to enhance our human capital.

Last week the *Globe and Mail* referred to the Canadian economy as a "world beater". It then suggested that the two priorities to keep it that way were education and an investment in the environment. However, the recent Speech from the Throne did not even mention the word education and the recent budget paid little attention to real issues of education and the environment. It was a huge opportunity wasted, especially after the dramatic action introduced in our economic update and the record-breaking economy that the government inherited.

Adjournment Proceedings

Last spring the government of the day, in consultation with the NDP, introduced Bill C-48. The bill would have provided \$1.5 billion in new investments for post-secondary education but it was only enabling legislation outlining parameters in which moneys could be spent. It did not outline details. That came in the fall economic update which addressed students, particularly low income families, aboriginals and persons with disabilities. It contained billions of dollars for those most in need.

The economic statement went well beyond Bill C-48, putting much more investment in students, among other significant investments such as 10 times more in research than we saw in last week's budget.

However, much was lost when the NDP sacrificed principle at the altar of political opportunism. Sensing electoral gains, it helped defeat the government. The immediate impact was the cancellation of the provisions outlined in the economic update jeopardizing the spirit of Bill C-48 and the investments outlined.

In response last week to my question on post-secondary education, the current government did not offer a plan as to what it would do for education. Instead, the Minister of Intergovernmental Affairs said:

—the Government of Canada currently provides significant financial support for post-secondary education and training. The Canada social transfer provides \$16 billion.... In addition, our government currently provides \$5 billion in direct support for students....

Those are the words of the minister in the government. I knew what the previous government did and I share the minister's view that it is impressive.

What will the government do to build on that record, especially for students most in need?

• (1855)

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I thank my hon. colleague for his question and I will be responding on behalf of the Minister of Intergovernmental Affairs.

The Government of Canada is committed to working with the provinces, territories and business and labour partners to ensure that post-secondary education in Canada continues to be an important priority. We welcome the Council of the Federation's initiatives in this regard. We look forward to working with the Council of the Federation as we go forward to ensure that post-secondary education and training remains an integral part of the government's priorities.

Our government has several initiatives it will be bringing forward to encourage skills development for people of all ages, whether it is through our trades program with incentives for apprentices and for employers to hire more apprentices into those skill jobs or whether it is assistance for university students, not through tuition credits but through relief of their student bursaries and scholarships.

We will be developing programs that will help all students continue lifelong learning. Currently, the Government of Canada invests \$9 billion in post-secondary education, including \$5 billion annually in direct support through such activities as student financial assistance, scholarship tax measures, and \$3.8 billion in cash

transfers and tax measures to the provinces to support post-secondary education.

Since 1988 the Government of Canada has provided \$2.5 billion as part of the Canada education savings grants program. With the 2006 budget, the government is committing up to \$1 billion of additional funding to provinces and territories in support of post-secondary education. Through this investment the government is taking action to address some of the short term pressures facing provinces and territories.

The government will undertake consultations with provincial and territorial governments with a view to identifying appropriate roles and responsibilities for each order of government in meeting future challenges and to examine the most appropriate ways to deliver support. Currently, 45 red seal trades are eligible for the apprenticeship job creation tax credit and the apprenticeship incentive grant.

The government, in consultation with provinces and territories, will consider extending eligibility to other economically strategic and provincially recognized apprenticeship programs in the future. The provinces have responsibility for apprenticeship training and certification of skilled journeypersons. The red seal trades are those trades for which agreed interprovincial standards have been developed. The government believes that it is unfair to tax students on the recognition they receive for their academic excellence.

All students work hard and they benefit from a number of tax measures such as the Canada employment credit and the tuition education and text book tax credits which reduce the tax liability of working students.

The 2006 budget provides \$200 million over two years for university based research and development through the indirect cost of research programs, the federal granting councils, and the Canada Foundation for Innovation. The government will also be undertaking granting councils activities

Mr. Michael Savage: Mr. Speaker, I appreciate his pride in our accomplishments but just look at the formula. In the economic update in the fall there was \$2.2 billion for student financial assistance, \$550 million for the Canada access grants, \$3.5 billion for workplace based training, \$1 billion for infrastructure, \$265 million to bring people with disabilities into the workforce, \$1.3 billion for settlement and immigration, and we offered a fifty-fifty plan in the election campaign.

The current government offers a tiny tax benefit on scholarships and books. It is \$80. In Nova Scotia, tuition is \$6,000 to \$8,000 a year and students will get \$80. That does absolutely nothing for the Canadians who need help the most. Tinkering with the tax system is not how education is improved. We must invest directly in it. This is an abandonment of Canadian students.

Adjournment Proceedings

Mr. Tom Lukiwski: Mr. Speaker, I would point out again to my colleagues, both on this side and that side of the House, that once again the Liberals are fond of talking the talk, but very often they fail to walk the walk.

Press releases are not true action. We consider a strong healthy economy the best support programs, not only for students but for other Canadians. I would suggest to the member opposite that he recall exactly what happened in last year's budget with his former government.

Once again he takes pride in saying that they have a commitment to post-secondary education, but if we listen to the members of the New Democratic Party, it seems that they are saying that government abandoned all pretense of supporting post-secondary education, and it was only the secondary NDP budget that actually put money into post-secondary education programs.

We have a bit of a disconnect here between the member opposite and the other opposition party in the House. I think they should get their act together and finally realize that the government will finally be paying proper attention to all students.

• (1900)

THE BUDGET

Hon. John McCallum (Markham—Unionville, Lib.): Mr. Speaker, there was an ominous promise in last week's budget to identify \$2 billion in cuts in order to balance the books. Ominous because it failed to offer even a suggestion where these cuts would come from. Vague promises to find future savings like these are misguided from the point of view of Canadians who may lose their jobs or key services. The victims deserve to know who they are. The promises are also irresponsible and misguided from the perspective of fiscal planning. This was the Harris method. We have tax cuts today, vague spending cuts maybe tomorrow. This is a recipe for deficits.

[*Translation*]

I will explain that in more detail in a moment.

First, I want to assure the House that I do not oppose measures that increase government efficiency. Times change, programs become superfluous and the government of the day must ensure that Canadian taxpayers' money is used optimally.

Last year, I carried out an exercise of identifying low priority government spending in order to reallocate the amounts involved to high priority sectors. I provided a line by line description with each cut before the savings were spent.

It involved difficult decisions, but I think they were good. Because they were good choices, we had no problem explaining to Canadians what each of the cuts meant to them. The process was open and transparent.

[*English*]

Canadians deserve better than to wake up one morning and find that a service they depend on has been axed by stealth. Just look at the recent EnerGuide cuts undertaken by this government. Low income Canadians put thousands of their dollars into making their homes more energy efficient, with the clear understanding that they

could recover much of that money through EnerGuide. Unfortunately, they discovered yesterday that the program had been cut, leaving thousands out to dry.

Sure, a tax cut will be welcomed by the majority of Canadians. However, if we only show them the tax cut and refuse to show them the service cuts that the lost revenue represents, then we are really only showing them half of the story, as those individuals who were ripped off by this government on previous commitments for energy efficiency discovered only yesterday.

Beyond the moral imperative, there is another reason that these cuts need to be identified now, a reason that goes right to the heart of rudimentary fiscal competence, so lacking not only in this government but in Conservative governments from Diefenbaker through Mulroney through Harris, and I could go on. A reason that goes right to the heart of fiscal competence is to not spend the money before it is in the bank.

The budget contained billions of dollars in new spending as well as billions of dollars in tax cuts. This is money that has been booked and will be spent based on the notion that the \$2 billion in program cuts will be found in the savings yielded. But what if they are not found? Again, this was the Harris methodology, so well known to Ontarians.

[*Translation*]

Multiple pressures can cause the minister to fail. I ran into that during the examination of spending last year. There will be pressures within caucus by colleagues not wanting to lose jobs and funds in their riding.

Is it time, Mr. Speaker?

The Acting Speaker (Mr. Andrew Scheer): I am sorry to interrupt the hon. member, but his speaking time is up.

The hon. Parliamentary Secretary to the Minister of Finance.

[*English*]

Ms. Diane Ablonczy (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I thank the House for the opportunity to speak on this issue. My colleague opposite seems to think that his next career will be writing scary children's stories. His fiction is quite a bit different from the facts.

The truth is that this government is committed to fiscal restraint. No longer will government spending grow wildly out of control as it did under the Liberals. Their spending grew in 2004-05 by almost 15%. How many Canadians had an increase in their income of 15%? When the Liberals were in government, they thought that taxpayers of this country did not deserve to have a break from that kind of wild uncontrolled spending. Under this government, things will be under control. We will be prudent. We will be reasonable in the spending that we undertake.

Adjournment Proceedings

Under our plan, government spending will decline next year by about just over 5%. That is a fairly healthy increase in itself, but quite a bit more reasonable than 15% under the Liberals.

We want to ensure that government programs are effective and efficient. The member mentioned the EnerGuide program. The analysis showed that 50¢ of every dollar of this program did not end up in the hands of Canadians trying to improve the energy efficiency of their home at all. It ended up in administrative costs. What kind of program is that when half of the spending on a program ends up in administrative costs and only half goes into the pockets of the people who are supposed to benefit? Shame on the Liberals for trying to defend a program like that.

There will be of course a proper transition of this program. Canadians who have already made applications under this program or signed contracts will continue to get the benefits. We will replace this program from here on in with a program that actually works, a concept the Liberals over there do not seem to understand.

We are launching a review of expenditure management and this is being led by the President of the Treasury Board. By the fall the President of the Treasury Board will come to the House with his expenditure review. It will be based on the following principles: first, that government programs should focus on results and value for money. That is what ordinary Canadians base their spending on.

The second principle is that government programs should be consistent with federal responsibilities instead of spending in every area of jurisdiction and mixing things up. The third principle is that programs that no longer serve the purpose for which they were created should be eliminated. By applying these principles we will ensure that growth in program spending is sustainable and that the federation works better for all Canadians.

The President of the Treasury Board has been asked to identify savings of \$1 billion in 2006-07 and a further \$1 billion in 2007-08. This is one-half of 1% of spending per year, hardly any kind of big number. In fact, it is an extremely modest number. I would think that any CEO worth his salt could find that kind of saving except perhaps the CEOs that Canada suffered under for several years under the Liberals.

I would like to add that our budget delivers more tax relief for Canadians than in the last four Liberal budgets combined.

• (1905)

Hon. John McCallum: Mr. Speaker, that last comment is totally misleading because she is ignoring the biggest tax cut in Canadian history in 2000 which took five years to work its way through the system.

I have nothing to apologize for in terms of government efficiency. As chair of expenditure review, we found \$11 billion in savings. There are two differences that the parliament secretary has been ignoring. First, we announced those measures on budget day. We were responsible. We let Canadians know who the victims would be and where the cuts were to be made. They have some vague commitment to the future. Why not be responsible as we were and let people know on budget day?

Second, our government did not remove the cushion against a return to deficit. That government, like Conservative governments in general, is skating much closer to the edge in terms of returning to deficit finance and undoing the work of 13 years of Liberal government to clean up their \$42 billion mess, which we did. That government is getting closer to returning to that mess.

Finally, on the question of EnerGuide, is she saying that those people who lost their money will have their money returned to them? I hope that is the case. It was not clear from—

• (1910)

The Acting Speaker (Mr. Andrew Scheer): The hon. Parliamentary Secretary to the Minister of Finance.

Ms. Diane Ablonczy: Mr. Speaker, if the member is not clear on the concept, then why is he trying to scare Canadians without knowing the facts? I suggest he might want to get those facts.

The hon. member says that the victims should know who they are. The victims did know who they were under the Liberals. They were all Canadians having their money squandered and wasted under corrupt schemes by the Liberals. All Canadians were the victims, but they put in a clean, new government that would have reasonable and transparent spending that could be sustained, instead of running up fat deficits and money bags in the treasury while Canadians went without any kind of tax relief.

This government is going to have a proper balance on federal spending without huge surpluses at the expense of Canadians. We are going to make sure that programs are effective and efficient. We are going to make sure that savings continue to be identified by a proper study that will be tabled in the fall. Our budget leaves more money in the hands of Canadians.

ARTS AND CULTURE

Hon. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I have to comment on the last statement about the previous Liberal government running up deficits. Au contraire, when the Liberals formed the government they inherited a \$42 billion deficit and it was only after three years that we managed to eliminate it. Ever since then we had surplus budgets. We actually paid off \$60 billion of debt. For the member opposite to say what she did is not just slightly inaccurate, but is totally inaccurate.

I wanted to come back to the matter of the Canada Council for the Arts. To set the stage so people will know what is at stake, on November 23 the Liberal government announced that it would invest in the next three years, until 2008, an additional \$342 million. The bulk of it was basically a doubling of the budget of the Canada Council for the Arts from \$150 million a year to \$300 million a year, which would have meant a \$50 million increase in this current fiscal year, another \$100 million the following fiscal year and finally, \$150 million and then keeping it at that level with an ongoing \$300 million a year.

Adjournment Proceedings

Essentially, the government was responding to the demand that we go from \$5 per capita, and looking at 30 million inhabitants at \$5 that would be \$150 million, and doubling that to \$10 per Canadian citizen over the course of three years to \$300 million a year as an annual budget for the Canada Council for the Arts. This was essentially supported by all of the artistic and cultural communities in Canada.

On January 12, 2006 the Minister of Canadian Heritage, who was then the Canadian heritage critic for her party, said on CBC Radio, "We will respect the promise of \$300 million for the Canada Council, which will double the budget of the organization because we believe in the importance of the council for the Canadian arts community". Hallelujah. Of course, the last time I spoke we had just been thrown another comment by the minister who had said that the government was not going to honour any Liberal commitment, which created a lot of uncertainty. When I had a chance to speak on this in an adjournment debate it was before the budget and we did not know. Now we know it is \$50 million.

Yesterday the minister thought she would quote the chair of the Canada Council in defence of the \$50 million over two years. In effect, all it does is take it from \$5 per capita to \$6 per capita, a far cry from double the amount. I thought it would be important and essential actually that the comments she made be rebuffed by others who have also commented on the announcement by the government in the budget. Allow me to quote a few.

[*Translation*]

Christian Bédard, director of Regroupement des artistes en arts visuels du Québec, said:

Unfortunately, with this meagre increase, the cultural sector, and first of all the artists, will continue to get by as in the past, attempting to survive day by day, and keeping Canadian and Quebec artistic creation at arm's length...Cultural enterprises, the creative artists and all those working in related areas are part of an industrial sector with economic benefits that are too important to be neglected in this way.

Brian Brett, chair of the Writers' Union, said:

The government should ... learn economics 101... Funding to the arts is returned more than 8-fold to Canada's economy and to its tax revenue.

The Alliance of Canadian Cinema, Television and Radio Artists is concerned about the absence of increased funding for RSC, Telefilm Canada, and the Canadian Television Fund.

I will speak again after the minister's parliamentary secretary speaks.

● (1915)

[*English*]

Mr. Jim Abbott (Parliamentary Secretary to the Minister of Canadian Heritage, CPC): Mr. Speaker, the Government of Canada does recognize the important contribution made by the arts and culture to Canadians, their communities and to Canadian society as a whole. It also appreciates the role played by the Canada Council for the Arts in supporting professional artists and non-profit arts organizations in the country, which is why the government was proud to include in the recent budget a total of \$50 million of additional support over the next two years for the Canada Council.

As we all know, the budget focused on five key priorities of the government. The announcement of additional investment in the arts

reinforces the government's view that culture is key to building the economic and social health of our communities. But there is more.

The budget also announced exemption from capital gains of charitable donations of publicly listed securities to public charities. This is good news for any arts organization involved in securing support from private donors. In fact, this tax break should lead to a new donation total of roughly \$300 million annually, and we expect that arts and culture will benefit significantly from this support. This measure is effective immediately. With this announcement, Canada now provides more tax assistance than the United States for both cash donations and donations of listed securities to registered charities.

These two complementary measures were announced by the government because we believe in the contribution that artists make to our country and because we believe that adequate support for the arts and artists should also be the result of a strategic collaboration between government funding and private sector support.

The arts and culture play an essential role in stimulating our social and economic development. Cultural activity contributed more than \$39 billion to Canada's GDP in 2002. Support for artists and the arts has led to the development of outstanding Canadian talent in the literary, visual media and performing arts, thereby enriching the lives of Canadians and laying the foundation for our cultural industries to thrive.

Many studies point to the fact that the arts help to build internationally competitive communities that are attractive to knowledge workers and investors. Our artists also serve as influential ambassadors abroad, projecting the image of a modern and cosmopolitan country. They affirm Canadian identity, critical in an increasingly integrated North American and global environment. We are proud of their achievements in Canada as well as in other countries around the world.

Canadian arts institutions perform at a level that is internationally competitive. Not only are they on stages upon which our most talented artists can perform, they are symbols of Canada's maturity and capacity for excellence. They have improved the quality of life in Canadian communities, providing them with a shared appreciation of the power of the arts and the diverse tapestry of perspectives that make up Canada.

Investing in the arts means investing in our cultural industries and economy. Communities across Canada, from the largest to the smallest, are investing in the arts and culture as an economic lever, as a means to attract investment and as a way to improve Canadians quality of life. They recognize the power of the arts and culture in creating a sense of place and in enriching the lives of their citizens. They are taking advantage of the tremendous creativity and cultural vibrancy that exists within their communities and are building strong partnerships with their local arts and heritage organizations to foster artistic and cultural expression in Canada.

This is why the Conservative government so proudly supports the arts and culture in Canada.

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Hon. Mauril Bélanger: Mr. Speaker, it would be better if the member at least pretended he believed in what he was reading. That way we could perhaps all feel a little more enthusiastic than we do.

To say that the tax exemption provided in the budget or to try to indicate that it would be directed to arts is rather misleading. There are 160,000 charities and non-profit organizations that could benefit from that. It is very obvious that it is not all going to go to the arts and the government is walking away.

As a matter of fact, to continue on this, Richard Bradshaw of the Canadian Opera Company said:

This is a scandal...They've shrunk \$300 million to \$50 million. When will Canada grow up and realize that the arts are central to the health of the whole society?

We have only \$50 million for the Canada Council, instead of the \$300 million that was insinuated during the campaign. We have \$250 million for prisons and a billion dollars to arm border agents. There is no additional money for the CBC/Société Radio-Canada, nothing for the Canadian Television Fund and the government has shrunk \$300 million to \$50 million only for the Canada Arts Council. That is not being very supportive of the arts.

• (1920)

Mr. Jim Abbott: Mr. Speaker, this probably underlines the difference between a Liberal and a Conservative. From a Liberal's

perspective, if it is not taxpayers' dollars that are going out to fund particular organizations, then what in the world are we going to do.

The attitude of myself and my Conservative fellows is very simply that we have to engage more people in the support of arts, artists and art organizations. We can get them more involved by getting them more involved financially and building a pool of up to \$300 million. By building that pool, we not only have the cash resources, but we also have the involvement of the people who are actually making those contributions.

This means that the arts community and cultural industries will thrive as a result of the further engagement of the individuals rather than always going back to the tax trough where the Liberals consistently want to derive their money.

[*Translation*]

The Acting Speaker (Mr. Andrew Scheer): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7:22 p.m.)

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