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OFFICIAL REPORT
(HANSARD)

Thursday, February 28, 2008

—

Speaker: The Honourable Peter Milliken

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HOUSE OF COMMONS

Thursday, February 28, 2008

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

MAIN ESTIMATES, 2008-09

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

* * *

• (1005)
[English]

GOVERNMENT RESPONSE TO PETITIONS

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

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INTERPARLIAMENTARY DELEGATIONS

Mr. Bob Mills (Red Deer, CPC): Mr. Speaker, pursuant to Standing Order 34(1) I have the honour to present to the House, in both official languages, the report of the Canadian parliamentary delegation on the meeting of the Standing Committee of Parliamentarians of the Arctic Region in Reykjavik, Iceland, June 1, 2007.

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COMMITTEES OF THE HOUSE

CANADIAN HERITAGE

Mr. Gary Schellenberger (Perth—Wellington, CPC): Mr. Speaker, I have the honour to present, in both official languages, the sixth report of the Standing Committee on Canadian Heritage entitled “CBC/Radio-Canada: Defining Distinctiveness in the Changing Media Landscape”.

Over the past year the committee has been meeting and hearing from a wide spectrum of stakeholders and residents in every region of the country. Committee members thank everyone who took part in

its proceedings. They were impressed by the keen interest shown by the many individuals who attended and participated in the committee's hearings in Ottawa and elsewhere to voice their opinions and their feelings about the future of our national public broadcaster.

Judging by this and by the hundreds of letters it received, the committee is convinced that Canadians are firmly committed to having a strong national public broadcaster that faithfully reflects our population from one end of the country to the other.

HUMAN RESOURCES, SOCIAL DEVELOPMENT AND THE STATUS OF PERSONS WITH DISABILITIES

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities. Pursuant to Standing Order 97.1, your Committee is requesting an extension of 30 sitting days to consider Bill C-265.

[Translation]

The Speaker: Pursuant to Standing Order 97.1(3)(a), a motion to concur in the report is deemed moved, the question deemed put, and a recorded division deemed demanded and deferred until Wednesday, March 5, 2008, immediately before the time provided for private members' business.

[English]

FINANCE

Mr. Rob Merrifield (Yellowhead, CPC): Mr. Speaker, I have the honour to present, in both official languages, the fourth report of the Standing Committee on Finance, related to Bill C-207, An Act to amend the Income Tax Act (tax credit for new graduates working in designated regions).

* * *

• (1010)

CANADA PEACE INITIATIVES ACT

Ms. Alexa McDonough (Halifax, NDP) moved for leave to introduce Bill C-515, An Act to ensure annual reports to Parliament on Canadian peace initiatives.

She said: Mr. Speaker, this morning it is my pleasure to introduce a bill that I think is of interest and concern not only to Canadians generally but people around the world in relation to their own governments.

Routine Proceedings

Specifically, this is a bill that requires the foreign affairs minister to submit an annual report setting out Canada's initiatives and accomplishments in the promotion of international peace and security, public diplomacy, peace building and peacekeeping, both through the United Nations and other multilateral organizations.

This is one of the great challenges of our time. We enter into various obligations. We do very little systematic reporting back to the Canadian people through Parliament on the results of our efforts. If this is not an important thing on which to report to Canadians, I do not know what is. I very much commend it to all members.

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

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PETITIONS

FOREIGN AFFAIRS

Hon. Joseph Volpe (Eglinton—Lawrence, Lib.): Mr. Speaker, it is my pleasure and honour once again this week to present petitions duly certified under Standing Order 36, and thanks to the efforts of B'nai Brith Canada, to highlight three things in this petition signed by some 150 people in the Greater Toronto Area.

First, to thank Canadians and Canada for responding so positively to a previous petition that resulted in the return of the remains of three Israeli soldiers missing in action, Omar Suad, Benny Avraham and Adi Avitan.

Second, to highlight that there are still five others whose status is unaccounted for: Yehuda Katz, Zvi Feldman, Zecharya Baumel, Ron Arad and Guy Hever.

Third, to ask this Parliament to continue in its efforts to ensure that the moral principle of redemption of hostages, so cherished in the Jewish faith and by people of goodwill all over the world, be adhered to by applying pressure to Hezbollah and its sponsor states of Lebanon, Syria and Iran. By using all reasonable means, not excluding sanctions and the severing of diplomatic ties, to ensure that the status of these five soldiers be verified and they or their remains be returned to their families back in Israel.

MARRIAGE

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, from the good constituents of Saskatoon—Wanuskewin, particularly the city of Saskatoon, Martensville, Borden, Langham and Warman, the good folks there, I wish to present a petition calling on Parliament to immediately hold a renewed debate on the definition of marriage, reaffirming as it did in 1999 that marriage is and should remain a union between a man and a woman to the exclusion of all others.

The petitioners wish to state that Parliament should take the necessary steps to return to that traditional and heterosexual definition of marriage.

RIGHTS OF THE UNBORN

Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC): Mr. Speaker, I have a second petition from the good constituents of my riding of Saskatoon—Wanuskewin in Radisson, Langham, Saskatoon, Borden, and Dalmeny.

The petitioners are asking to draw attention to a particular concern that they have and that others share. In current federal criminal law an unborn child is not recognized as a victim with respect to violent crimes. When a pregnant woman is assaulted or killed in Canada there is no legal protection offered for unborn children and no charge can be laid.

The petitioners point out some polling results which show that 72% of Canadians, according to an Environics poll, support laws that would protect an unborn child from acts of violence against the mother and that also injure or kill the child.

The petitioners call upon Parliament to enact legislation which would recognize unborn children as separate victims when they are injured or killed during the commission of an offence against women, allowing two charges to be laid against the offender instead of only one. The petitioners ask for this particular protection in combating violence against women and their unborn children.

* * *

● (1015)

QUESTIONS ON THE ORDER PAPER

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, Question No. 180 will be answered today.

[English]

Question No. 180—**Mr. Wayne Marston:**

With regards to sport infrastructure eligibility in the Building Canada program: (a) how has the government advertised and solicited applications for sport infrastructure projects; (b) how many applications have been received and where eligible; (c) what have been the infrastructure requests in the applications; (d) what is the total amount of funds dispersed for sport infrastructure under the Building Canada program; and (e) what applications have been accepted?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, in response to (a), on November 6, 2007, the Prime Minister announced the details of the \$33 billion building Canada infrastructure plan, which includes the \$8.8 billion building Canada fund that will be invested in clean water and sewage treatment infrastructure, the core national highway system, public transit, green energy, and sport facilities among other categories of infrastructure. The Government of Canada has already identified and announced publicly a number of priorities for funding across the country, one of which is the Centre of Sport Excellence in Calgary. All details of the building Canada plan and its components, as well as all announcements pertaining to agreements and projects, are found on the Prime Minister's website as well as Infrastructure Canada's website.

Speaker's Ruling

In response to (b), the building Canada Fund has two components in each jurisdiction: the major infrastructure component, and the communities component. Under the major infrastructure component, projects are to be negotiated between the different levels of government. The Government of Canada has already identified a number of priorities for funding across the country, including the Centre of Sport Excellence in Calgary. This priority announcement indicates that the Government of Canada will consider funding this project, once a framework agreement has been signed with Alberta and conditional on the project meeting all applicable federal eligibility requirements under the building Canada fund.

Under the communities component, only Nova Scotia has submitted a first round of applications to date. Since sports infrastructure was not among the target areas for the province on this first call for proposals, no projects for sports infrastructure were put forward. No other province or territory has launched the communities component application process yet, which may only take place once a framework agreement with Canada has been signed.

In response to (c), please refer to part (b).

In response to (d), please refer to part (b).

In response to (e), please refer to part (b).

* * *

[English]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Tom Lukiwski (Parliamentary Secretary to the Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, if Question No. 167 could be made an order for return, this return would be tabled immediately.

The Speaker: Is it agreed that Question No. 167 be made an order for return?

Some hon. members: Agreed.

Question No. 167—**Mr. Scott Reid:**

For each of the years 1997 to 2007, how many dollars has the National Capital Commission spent purchasing poinsettias and other Christmas gifts for Members of Parliament, Senators, Ontario Members of the Provincial Parliament, Quebec Members of the National Assembly, elected municipal officials, and unelected officials broken down by category of recipient, and on shipping and delivering these gifts?

(Return tabled)

Mr. Tom Lukiwski: Mr. Speaker, I ask that all remaining questions be allowed to stand.

The Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

POINTS OF ORDER

COMMITTEE AMENDMENTS TO BILL C-21—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the point of order raised on February 14, 2008 by the hon. Parliamentary Secretary to

the Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians concerning committee amendments to Bill C-21, An Act to amend the Canadian Human Rights Act.

I wish to thank the hon. parliamentary secretary as well as the hon. members for Argenteuil—Papineau—Mirabel, Nunavut and Winnipeg South Centre for their submissions on this matter.

[Translation]

In his intervention, the hon. parliamentary secretary indicated that he was seeking a ruling as to whether two amendments to Bill C-21, adopted by the Standing Committee on Aboriginal Affairs and Northern Development, are in order. He argued that these two amendments are beyond the scope of the bill and should not be allowed to stand.

The hon. parliamentary secretary went on to describe the main components of Bill C-21 as follows: a provision for the repeal of section 67 of the Canadian Human Rights Act, a statutory review provision and, finally, a transitional provision with respect to aboriginal authorities. In essence, he stated—in my view, correctly—that the principle and scope of the bill therefore relate to the repeal of section 67.

[English]

In his submission, the hon. parliamentary secretary further contended that in reviewing the legislation which has received the approval of the House at second reading, committees are limited to making amendments that respect the principle and are within the scope of the legislative proposal. Here as well, the Chair shares the view expressed by the hon. parliamentary secretary.

However, before going further, it is perhaps useful to review what the two contested amendments seek to achieve. The first is a non-derogation clause added as a new clause 1.1. This amendment indicates that the repeal of section 67 of the Canadian Human Rights Act shall not be construed so as to abrogate or derogate from existing aboriginal treaty or other rights or freedoms that pertain to the first nations peoples of Canada and goes on to list certain rights or freedoms.

The hon. parliamentary secretary argues that this amendment adds a new purpose to the bill and is therefore beyond the scope of Bill C-21.

The second amendment that is in dispute is an interpretive clause added as a new clause 1.2. This clause mandates that in relation to human rights complaints, the act be interpreted and applied with due regard to “first nations legal traditions and customary laws”.

This amendment was ruled by the chair of the committee to be inadmissible because it was beyond the scope of the bill. Following a successful appeal of the chair's ruling, the amendment was subsequently adopted by the committee.

In her submission, the hon. member for Nunavut expressed the view that these amendments represent an improvement to Bill C-21, inspired by the desire, in her words, “to make sure that the rights of people are protected”.

The Budget

[Translation]

The Chair has examined the two amendments in question, as well as the proceedings on this bill in the Standing Committee on Aboriginal Affairs and Northern Development with reference to the text of Bill C-21 as adopted at second reading. There is no doubt that this committee's lengthy deliberations reflect the seriousness with which members have approached this issue.

[English]

In cases such as this one, the Speaker may be asked to review, on strictly procedural grounds, what went on in committee with reference to the correctness of a chair's ruling, or even the overturning of a ruling in committee.

As I explained when the matter was first raised:

...the Speaker acts as a court of appeal, as it were, from decisions of committees in respect of admissibility of amendments for certain purposes that they can be arguably beyond the scope of the bill or beyond the principles of the bill that was sent to committee at second reading.

In this case, I am simply being asked whether or not the two amendments in question are admissible, more precisely, whether the two amendments in question are within or beyond the scope of Bill C-21.

I said earlier that I agreed with the hon. parliamentary secretary that the principle and scope of the bill relate to the repeal of section 67 of the Canadian Human Rights Act. Now, after due consideration of the procedural issues involved, I have concluded that neither of the disputed amendments, namely new clauses 1.1 and 1.2, interfere with that principle.

In the view of the Chair, the two amendments neither restrict nor expand nor conflict with the repeal of section 67 of the Canadian Human Rights Act, which we all seem to agree is the principle of Bill C-21.

New clause 1.1 describes the existing aboriginal rights framework. New clause 1.2 refers to the due regard that is to be given to first nations legal traditions and customary laws in the adjudication of future complaints made possible under the act by the repeal of section 67.

In the words of the hon. member for Winnipeg South Centre, "The bill, as amended, still proposes to repeal section 67 of the Canadian Human Rights Act; it still proposes a review and a transitional period for the said repeal". In short, neither amendment introduces conditions whereby the repeal of section 67 would not take effect. Rather, both amendments provide guidance of a general nature and in a context specific to first nations.

●(1020)

[Translation]

For these reasons, I find the two amendments to Bill C-21 adopted at committee stage to be admissible. I thank the parliamentary secretary for having raised this matter.

GOVERNMENT ORDERS

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 27 consideration of the motion that this House approves in general the budgetary policy of the government, of the amendment and of the amendment to the amendment.

The Speaker: When the matter was last before the House, the hon. member for Scarborough—Guildwood had the floor and he has four minutes remaining in the time allotted for his remarks. I therefore call upon the hon. member for Scarborough—Guildwood.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, to continue with my speech, I was comparing the spending habits of the government to that of Paris Hilton but at least Paris Hilton has the virtue of spending her own money, money she did not work for but inherited, just like the government. The present government inherited a huge sum of money. It is not the government's money but it is spending it like crazy drunks.

When we look at the commentary in the *Globe and Mail* yesterday, it reads:

After two years of free spending and big tax cuts, [the Minister of Finance] has now produced a finance minister's version of Old Mother Hubbard.

In the nursery rhyme, Mother Hubbard can't find a bone for her poor dog in her bare cupboard. In hard-pressed Ottawa, where 2008-09 revenues are expected to fall below 2007-08 levels, [the Minister of Finance] is facing the consequences of almost emptying his own cupboard in last fall's economic statement, especially with his one-percentage-point cut to the GST.

Now, as the economy slows markedly, he has to scrounge, pinching pennies and dodging the very real and continuing risk of a deficit.

●(1025)

In Ontario, we have seen this movie before. It was a horror flick then and it is a horror flick now. The Minister of Finance, along with Mike Harris, reduced revenues substantially in Ontario. When the people of Ontario gave them the exit sign, the cupboard was in fact bare and Mr. McGuinty inherited an almost \$6 billion deficit.

However, there were a few tricks in-between times. In one budget before the election, the Ontario government wanted to ensure it would not show a deficit so it sold off some rather valuable assets to cover up its profligate ways, the main asset being Highway 407. It sold the highway for about 25% of its value. The eventual purchaser flipped the highway two or three years later and made a handsome little profit.

The Minister of Finance has no money left so what does he do? He creates a diversion and has this taxpayer savings plan thing. Most properly advised investors will invest their money in an RRSP, which will use up a fairly substantial chunk of money and they will get a tax break. They will have their interest and earnings tax free until they take it out. If they have any money after that, they can invest it in an RESP and receive government assistance with any moneys they invest. After that, which I am sure one or two people in this chamber might actually have money left over after that, they will put money into this taxpayer savings plan.

The Budget

It is a wonderful plan for those who are in the upper 1% of earners in this country, but for the balance of the people in this country, it is virtually a useless plan. It is a great show about absolutely nothing. It will cost the treasury \$5 million in foregone revenue in the first year. Do members know what the average person will get on a 4% return? He or she will get a savings of \$92.

If I were to go to my local bank and ask that one of these things be set up for me, the bank would be delighted to do so. However, do members know what the bank will do? It will charge me a fee of \$200 to run a \$5,000 plan for which I will save \$92. Therefore, if I were to invest in one of these things, assuming I have any money left over in the first place, I would be down \$100 by doing it in the way in which the finance minister plans to do it.

The other huge contradiction on which the Conservatives have not quite picked up is that they do this monster cut in the GST, which encourages consumption and discourages productivity, and then they encourage savings with this pathetic little plan. Either they want consumption or they want savings. This budget is much to do about nothing as—

The Deputy Speaker: Sorry to interrupt the hon. member. That is the second time in 24 hours and I feel really badly about it.

Questions and comments, the hon. member for Burlington.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, my colleague, who is on the finance committee with me, talked about the tax-free savings account and used derogatory language around that account.

We are not the leaders in the world on this. Britain has had it for over a decade and it has been shown to be a useful financial tool for those who have money, for those in the middle income and for low income earners.

With regard to the information that we have been receiving over the last number of days of how well this program works in England, could the member tell us why it will not work in Canada? Why will that system, which works in a country that is very similar to ours in terms of the financial break-out and the ability to have financial tools, not work in Canada?

Hon. John McKay: Mr. Speaker, I would like the government to get its act together just once. This is the third try and it still cannot seem to get its act together. It weights all of its tax relief to a consumption tax reduction, which encourages consumption and reduces savings. Now we have savings at virtually zero and, in many cases, a negative savings rate, which is not good for a country.

On a tax point, the GST brings in about \$5 billion on an annual basis. In effect, the Conservatives forgo revenue of \$5 billion on consumption and then they tell us to look at this keen little plan they have where they forego \$5 million on savings.

The government cannot get its act together and that is the point. It is not that in theory this is not a good idea but those guys do not even know how to apply good economic theory.

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, I appreciated the hon. member's analogy to Old Mother Hubbard and a few other things, but the

question that is kind of burning in me, after listening to that kind of scathing denunciation of the budget, just like the scathing denunciation of our fall update and all the tax relief that Canadian consumers have been able to enjoy and all of the stimulus for the economy that came from that, will the hon. member, in the end, actually support the budget?

• (1030)

Hon. John McKay: Mr. Speaker, it is an amusing government because it really does not want to govern. It just wants to enjoy itself. It seems to keep loading the pistol, handing it to us, spinning the chamber and telling us to shoot it because it wants to be shot. The Conservatives seem to want the Liberal Party to put them out of their misery.

There is such good fun watching those people squirm. Every day that they are here, they are asking us to shoot them and put them out of their misery. They are saying that it is an incompetent government and that they know the Canadian people deserve better.

When the Canadian people decide that they are prepared to go to election, that will be the day that we will do what the Conservatives are asking us to do.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have two questions for my colleague on the savings account.

First I want to ensure that I have the point right. Is he saying that the government put in measures to get consumers to consume a whole bunch of money and go into debt but now a remedy is needed to neutralize that so it has two programs to get zero net gain?

Second, in the member's calculation, how much would a person make in one month? First it would need to be a rich person to have \$5,000 to put away, but how much would that rich person make by putting \$5,000 away every month for a year?

Hon. John McKay: Mr. Speaker, the estimate is that in a year a person would earn about \$200 at 4% tax free, roughly speaking.

If one were at the maximum rate, which would be close to 50%, then one would save in the order of \$100. Others have worked it out to be about \$90. A person could save \$90 over the course of the year, which would be tax deferred. That would be wonderful if a person does in fact have the \$17,000 or \$18,000 to invest in an RRSP, and I do not know how many thousands of dollars a person would need to invest in their kid's savings, et cetera.

For those people who can put \$25,000 or \$30,000 away in savings, although I do not know too many people in this chamber who can actually do that let alone the people who are watching on television, but I would say that was good for them. It is a wonderful thing for them but it actually will affect very few people.

One can see it in the government's estimates. It expects the treasury to have foregone revenue of \$5 million. That is not even a rounding error in federal budget matters. Therefore, we have this rampant contradiction here. The government weights up the consumption tax and then it unloads on the savings tax. It would be nice if it could actually get it together.

The Budget

Hon. Garth Turner (Halton, Lib.): Mr. Speaker, I will follow up a little and continue on a theme about which my colleague has just talked. It is the tax-free savings plan. I have a few comments on that and then a few comments on the government's fiscal position at the moment.

The Minister of Finance put forward the tax-free savings plan as being the centrepiece of this budget. As we know, it will allow Canadians to put \$5,000 into a tax-free account. There will be unlimited carry forward room. In other words, if taxpayers do not put in a certain amount of their contribution in any one year, they can carry it forward to another. Tax-free withdrawals can be made at any time.

It is in essence a glorified savings account. The minister made a point in his budget speech of saying that it was the first major investment vehicle that the government had introduced since the advent of the RRSP.

On the surface, there are some decent aspects to it, and in a moment I will go into what they are and where this came from. However, I will also make the point clear for Canadians who are watching, who may have read or heard a little about the tax-free plan and who may think this is a panacea for them and a useful financial tool.

In carrying on with what my colleague had to say, I want to ensure people understand this. This is no substitute for the RRSP. There is no tax deduction for contributions made to this plan. This is a very significant aspect that the Minister of Finance I do not think brought out clearly enough. There is no spousal plan involved with the tax-free plan. In other words, one cannot establish a plan for one's spouse and contribute in his or her name. The \$5,000 limit is roughly three times less than that which is allowed by the RRSP.

Who benefits? This is the key point. The Minister of Finance, by putting this into the very first sentence of his budget speech, gave the impression that all Canadians would benefit from his new after tax savings plan. However, it is not the case. The only people who truly will benefit from the use of this new tax plan are those who are already fully invested in RRSPs. Why would one possibly invest in a tax-free savings plan, if one had \$2,000 extra, as opposed to invest that \$2,000 in an RRSP? If people put into an RRSP, they will get back up to half of their contribution amount, \$1,000, which they can then deduct from their taxable income.

With this plan, there is no such tax advantage. Why would one do it? Why would people without money do it? Obviously they would not. As my colleague said a moment ago, the national savings rate today is zero, nothing. In fact, most Canadian families are spending more money than they take in. The average Canadian family today is \$116 in debt for every \$100 in assets.

That is a condemnation of the way the country is being run. We are being run on debt. Families are being forced into more and more debt to get through month by month to ensure they can gas up the minivan, send their kids to school programs and make the mortgage payment on very expensive real estate today. This is not a society in which the Canadians are gaining wealth. Why would they put money into a tax-free savings plan when they do not have it?

Most of my constituents are financially stressed. Not only that, when we take a look at this tax-free savings plan as opposed, as I said a minute ago, to the RRSP, we need to consider how much money people actually put into an RRSP today. It is 7% of the amount of money that they could put in. We are all allowed a certain amount. Ninety-three per cent of the amount of money overall collectively that Canadians could put into RRSPs every year they do not. Why, when there is such an advantage? They do not have the money. Therefore, what is the point of a tax-free savings plan?

We sat in the finance committee yesterday. I see my colleague from Burlington across the way. He sat at the table as well. This question was asked of an official from the Canada Revenue Agency. "How much money is it actually going to cost the tax collector of this country to run this new vaunted plan that the Minister of Finance has announced?" The official had no idea what the administrative costs would be. It could be hundreds of millions of dollars to set this up. We do not know.

• (1035)

Who pays for that? My constituents, constituents who do not have savings and cannot put money into an RRSP. Therefore, why would they put it into a tax-free savings plan? It may be a great idea for the Minister of Finance because it sounds good, but when the first sentence of his budget speech hits the ground, it means absolutely nothing.

Where did this plan come from? It has been around for a bit. In fact, I have an admission to make. When I was a Conservative member of Parliament, and I apologize for that but I admit it freely, I submitted to the minister of finance a report that I wrote. In the report, I talked about a tax-free savings plan and told the minister of finance that perhaps he should set one up, that it was not a panacea but did have some advantages.

In that prebudget report I recommended to the minister of finance that this might be a decent idea, not a panacea. However, I also said that we needed an income tax cut. That is the primary centrepiece of any tax reform that means anything to my constituents and certainly most Canadians.

This is a good idea. If I were, for example, a dentist making \$300,000 a year, or a member of Parliament making \$150,000, in other words, three times more than the average family income, I might think this is a great idea. If I had an MP's pension, indexed for the rest of my life, then I would say this would be a good idea. Actually, I probably will use this because I have an MP's pension, unlike most Canadians. When people have pensions it means their RRSP withdrawals will be taxed at the maximum marginal rate. Therefore, why would they put money into an RRSP if they are privileged, like members in the chamber, and have an indexed pension? They would not.

The Budget

It is only for the people who have maxed out their RRSP, who are in the top 1% of the income tax bracket, who are rich dentists with a lot of income. Only those people will find that they can put another \$5,000 of their after tax income in a plan, earn interest tax free and take it out any time. They are laughing at CRA because they have just reduced their taxable income.

Why would the government want to reduce the taxable income of the top 1% of wage earners in the country and call it the centrepiece of a budget for all Canadians? It is a shame. That is not benefiting my constituents because my constituents do not make what I make. They make the average Canadian salary, which happens to be \$62,000 a year per family. For those people, this does absolutely nothing. It is shameful.

A couple of experts have looked at this plan. For example, Cleo Hamel, an H&R Block senior tax analyst, said:

All it means is that someone who can put money into a savings account won't get penalized for it. You have to find some kind of savings account that pays you anything...Where are seniors and the poor going to have a chance to save that kind of money?

Marc Lee from the Canadian Centre for Policy Alternatives, another senior economist, commented on it.

By the way, we are joined by one of Canada's pre-eminent economists who sits beside me in the chamber. The member spoke eloquently yesterday about the deficiencies of this plan. We must heed the words of these people who know what they are talking about.

Marc Lee said:

If you have an extra five grand kicking around, this gives you somewhere to park it for the rest of your life...It's something that will only be useful for people who've maxed out the RRSP room.

Economist Derek Holt of RBC said, "It's more about optics than it is about substance".

If the government wanted to do something to actually benefit Canadians, if it wanted to give some tax relief, it would have cut income tax. If it wanted to get some justice, it would have restored income trusts to the previous pre-horror state they were in last October 2006. If the government truly cared about all Canadians, it would not take us to the knife's edge of deficit. I am not impressed.

● (1040)

We do not believe this budget is enough to bring the government down, but it is part of a collectivity of actions which will very soon, I am sure, result in its very well-deserved demise.

Hon. John McKay (Scarborough—Guildwood, Lib.): Mr. Speaker, it is very curious on the other side how members are very keen to know what the Liberal Party will do, when in fact they keep handing us this gun and telling us to shoot them. It is kind of a curious question from the other side, is it not? For a party that offered a former member of Parliament a serious sum of money to vote a particular way, is that not curious?

I would be interested in hearing the hon. member's comments in that regard.

Hon. Garth Turner: Mr. Speaker, I was as shocked, as I think anyone in the House was, when I watched the news last night and

heard the shocking allegation that a former member of the House had been offered some kind of financial incentive to vote in opposition to the government of the day, which was a Liberal government. It is very regrettable, indeed.

It goes right to the question not only of morality and ethics, but also to the legality of such an action, to the character of the people in a party who would make that kind of an offer. It speaks volumes to the character of the particular member who rebuffed it. That the former member is to be congratulated for his integrity, and that integrity now stands in very sharp contrast to that of the members opposite.

● (1045)

Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, CPC): Mr. Speaker, we are off topic. Not only are we off topic, but the last two hon. members have repeated scurrilous accusations that are untrue. In fact, if they were to examine the record, which they probably will not bother to do, they would find that the honourable person, Chuck Cadman, when asked by a reporter after that vote if anyone had offered him inducements, he said, "Absolutely not. He said that was not the case, that he voted because he believed what he was doing was the right thing and he followed through on it, and good for him.

That is what he said. It will not make any difference to the Liberals. I expect a full court press again today on absolutely baseless accusations. However, this is not the first time they have been guilty of that.

However, what I am most interested in is this. The hon. member mentioned that the idea of a tax-free savings account was his. It is kind of like Al Gore being responsible for the Internet. However, he said it was his idea and the doggone Conservatives stole it. Now that they have stolen it, it is a bad idea. His constituents do not want it. They do not like it. It is an awful thing and only members of Parliament likely will take advantage of it.

How can he support this budget now? Is that not the question, really? It must burn him up. It was his idea and the Conservatives adopted it. That makes it a bad idea now. The Conservatives are scalawags of some sort.

The question is kind of bumbling. How is he going to answer that in a byelection? He said that when members crossed the floor, like he did, the honourable thing would be to stand in a byelection and stand for what they believe.

When he stands in that byelection, and I do not know when it will be, but soon I would think, will he be in favour of that tax-free account or against it? It was his idea, kind of like the Al Gore and the Internet, and different things. When it all comes down to it, because he is not going to stand in a byelection right now, how will he stand when the vote comes for the actual budget? That is really the test. Does he believe it or not? I have some sneaking suspicion that because he is a principled man he will fold like a deck of cards and support the budget.

Could he comment on that?

Hon. Garth Turner: Mr. Speaker, one hardly knows where to start.

The Budget

I see the hon. minister has been delivered a copy of the budget report, which was delivered by me in April 2006. I guess he did not read because I did attribute that particular idea. The genesis of it is clearly written in that report. Now he can read it and ensure he knows what the facts are.

In terms of Mr. Cadman, it is interesting to note that no Liberal has made an allegation against Mr. Cadman. It was made by the CBC, the *National Post*, The Canadian Press, the *Toronto Star*, the author of a new book called *Like A Rock: The Chuck Cadman Story*, a biography of Mr. Cadman, and in fact Mr. Cadman's widow.

The hon. member should become educated before he stands and continues to make a fool of himself.

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I will be sharing my time with the member of Parliament for Niagara West—Glanbrook. He has been a mentor to me, as I am a new member of Parliament who was elected a couple of years ago. The member for Niagara West—Glanbrook has done an excellent job of helping me understand my role as a member of Parliament and I am very happy to share my time with him.

Today I am here to talk about the 2008 budget that was presented by the finance minister. It is called “Responsible Leadership”. It is somewhat difficult for opposition members to understand what that means, but that is what the budget is all about. It is about leadership; it is about balance; it is about prudence; and it is about making a difference for all Canadians.

In my 10 minutes I want to talk about a number of things that are in the budget that deal directly with my constituents in Burlington and why I think this budget is good news for them and how it will affect them not only locally, but nationally.

The first thing I want to talk about is the announcement in the budget that we will continue our work on cutting the debt. Canada's debt is almost \$455 billion. That is a mortgage that not only I will be paying, but my kids, their kids and their kids will be paying as well. It is our responsibility as government to continue to pay down the debt, the same as any family would have the responsibility to reduce its debt.

In his speech, an opposition member talked about how important it is to try to get Canadians to reduce their debt. It is just as important for this government, when it has the cash, to reduce the debt aggressively. I am proud of this government for reducing the debt not just this year, but in every year that we have been in government. That is important.

Advantage Canada will help people in our ridings. Every interest dollar we save by reducing the debt will be returned to individual Canadians and businesses in tax cuts. We are reducing debt and saving people taxes at the same time. It is a great plan. I am very much in favour of our continuing along this line.

The budget also announced the concept of the tax-free savings account. We heard briefly about the tax-free savings account from my colleagues on the finance committee. This will be a great opportunity for Canadians to save money.

We have all identified that saving is an issue. A new vehicle is needed. The last real vehicle was the RRSP and it was developed before I was born.

Mr. Omar Alhabra: How old are you?

Mr. Mike Wallace: I am 44, I think.

We have waited over four decades to get a new financial tool for people to save money to invest in their future. The difference between the tax-free savings account and an RRSP is that money will be available to families, to seniors, to the working poor, when they need it, and it will be a way for them to save on paying taxes on their hard-earned money.

I am in favour of the tax-free savings account. Some work has to be done to put it on the ground, but it will be there within the year. I am happy that we have taken the initiative to give this vehicle the opportunity to exist in Canada.

It exists in other parts of the world. We should take note that we are not experimenting with people's money here. We know it works in Great Britain. We know it works in the United States. We know it works not just for the wealthy, as the previous speaker said, but it works for all income levels. It is a vehicle for people to save taxes, to save their money, and then decide, based on those savings, what is important to them, whether it is a house renovation, whether it is education, whether it is to supplement their retirement income when cashing in their RRSPs. This opportunity does not exist now but it will exist in the future and I am very excited about that happening.

• (1050)

When I am back in my riding, I try to tour one plant a week. I visited one last week. The accelerated capital cost allowance, which has been in place for two years and was announced as a two year program, has been very well received by business people in my riding. I am chair of the marine caucus. I am chair of the interparty steel caucus. I am part of the auto caucus.

Everywhere I go, people in industry are telling me that the accelerated capital cost allowance is a good thing, but they want it extended. We are extending it. I promoted the extension of it in the prebudget consultations. We heard from a number of Canadians who wanted it to happen. We are delivering.

It will be a great stimulus for companies to invest in and develop new technologies, buy equipment and create jobs. Government does not create jobs. Companies create jobs. They are not big evil entities. They are people. Every company is made up of people. We are helping those people create jobs for other Canadians through this program. I am very excited about it.

In my riding of Burlington, we are fortunate that we have a really good educational system. I am very proud of the educational system there. My daughters are both teenagers in high school and have gone through it. One is about to finish in the next couple of years.

The Budget

We need a better system for student loans and student grants. It is too disjointed at present. I made that argument at committee. I had an opportunity to make that argument in front of the finance minister. I have made that argument in front of the student groups who have come to see me. In this country, for those who do not know, there are two schools of thought in the students' groups. They do not get along. I think there should be one plan for loans and grants.

I am very proud that this budget adds a tremendous amount of money to that program. We are reconstituting the Canada student grants system with \$350 million, going to \$430 million by 2012. In addition we are going to have \$123 million in the student loans program.

We are providing students the opportunity to improve their education, to develop themselves so they can be more productive, so Canadians can be more productive. We compete in a global marketplace, as we all know. Education will be a key component of how we compete in the future as a country. I am very happy that we are spending a tremendous amount of money in that area and focusing on an improved system to make sure that it is easy, efficient and effective for students to further their education.

I have heard a lot from my constituents. There is a large contingent of seniors in my riding and they are not shy to come and talk to me, or send emails, or phone me on issues that face them. An issue facing a large number of them, and which, to be perfectly frank, I did not know about until I got elected, is that the amount that people are allowed to earn and still get the GIS supplement has not changed in years. That amount was \$500. In this budget we are increasing it to \$3,500. Seniors who are interested can supplement their income. They have been asking me for it. The finance minister in this budget is delivering on it.

There are many good things in this budget that I need 20 more minutes, but I am sharing my time so I will go through the last few things quickly.

There is the automotive innovative fund of \$250 million. Burlington is beside Oakville where Ford's head office is. A tremendous number of Ford workers live in my riding. This fund will help Ford become more innovative and develop new technologies that will be better for the environment, better for our country and make the company much more competitive.

Regarding the gas tax, I used to be a municipal councillor. We are making the gas tax a permanent fixture for municipalities. It was asked for and we delivered.

•(1055)

People have been asking for a 10 year passport since I was elected. We are delivering on a 10 year passport in 2011.

People are asking for more security on the streets. We are spending \$400 million with the provinces and territories to recruit 2,500 new police officers.

Finally, a big issue for me is transit. I am a big supporter of public transit. This government has committed \$500 million to new transit programs. I am very proud of our commitment. I am hoping to see it continue. That is all I have to say at this point.

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I used to think that the members of the other party on the other side were simplistic and simple-minded, especially in economics, but what I have found is that they over complicate things, which I guess is a sign of muddled thinking.

Two years ago and last year the government cut the GST in order to, the Conservatives say, stimulate spending in advance of a recession they did not know existed. Now they are creating this fictitious vehicle to stimulate saving. Why not give people the choice and instead of having two separate measures, one for consumption and one for savings, just cut income taxes? Forget the GST cut. Just cut income taxes. Forget this kind of gimmick that they have invented. Why not just give people the choice? The Conservatives always talk about choice but they do not give a choice. They create all kinds of vehicles that complicate life, but make a lot of money no doubt for the banks when they have to start charging fees for these tax-free savings accounts.

•(1100)

Mr. Mike Wallace: Mr. Speaker, obviously I have to make it simple for the opposition members to understand it, so let me put it this way. The Liberals really cannot come up with an argument against the tax-free savings plan. Even one of their own members wants to take credit for developing the concept. They are grasping.

Let me remind the member that as Conservatives, we do believe in tax cuts and balanced budgets. Since taking office, we have delivered nearly \$200 billion in tax relief, including cuts in sales tax, personal income tax and business taxes. As a Conservative government we will continue to do our work on reducing the tax burden.

[Translation]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I was a bit surprised to hear about help being provided to seniors in this budget. After all, the government still owes them \$3.2 billion in unclaimed guaranteed income supplement benefits because the system was too complicated.

The Liberal government at the time always refused make retroactive payments and give seniors the money they were owed. Seemingly thoughtful, the Conservatives promised during the campaign to give seniors that money, but then reneged on their promise. They have betrayed seniors and they have still not followed through in this budget.

It is not that it could not afford to pay. It was swimming in surpluses, but chose to pay the banks before paying seniors the money they were owed. That is absolutely shameful. It is shameful to ask those seniors who do not have enough money to live on to get a job at the local McDonald's and tell them that the first \$2,000 or \$3,000 they earn will not be taxable.

I would like an explanation as to why that promise was broken.

*The Budget**[English]*

Mr. Mike Wallace: Mr. Speaker, I wish the member opposite had been with me in my riding last week. I held a seminar on taxes for seniors. Well over 200 people came. I had to have a second sitting because there were so many people. I made the mistake of not having a big enough room.

Pension income splitting is so popular. All those people who came out thanked the government for allowing them to split their pension income. It makes a difference for Burlingtonians. It is a savings of thousand and thousands of dollars. I was not the one saying this. There were presentations by staff members of Canada Revenue Agency and Service Canada. They talked about the good news for seniors and the tax deductions that did not exist before, whether it is the pension income splitting, the pension income deduction, the credit they get going from \$1,000 to \$2,000. It is the first time in many years that any government has increased that, and we did it. There is the personal tax deduction that every Canadian gets. Those are just three points that they were making.

We have done a great job for seniors. We continue to work for seniors.

• (1105)

Mr. Dean Allison (Niagara West—Glanbrook, CPC): Mr. Speaker, it is my pleasure to rise in the House today and speak to budget 2008 as introduced by the Minister of Finance on Tuesday. This is the government's third balanced budget in a row. It is balanced, focused and prudent. I can say that not only am I excited by it but I am encouraged by the direction this government is taking.

It is a pleasure for me to speak on this budget because it not only will assist the residents in my riding of Niagara West—Glanbrook but it will indeed benefit all Canadians.

Responsible leadership is an appropriate title for this budget. It is a document that reflects the strong and responsible leadership that this Prime Minister, this Minister of Finance, and indeed this Conservative government continue to demonstrate with the public finances of Canada.

Canadians are guided by the values of compassion, kindness and generosity. In keeping with that mandate, our government is providing significant support for our individuals, families, workers and our seniors.

To date our government has taken actions that will provide nearly \$200 billion in tax relief over this and the next five years, \$140 billion of which will be for individuals, families and seniors.

This past summer I had the special honour of hosting the hon. Marjory LeBreton, the Secretary of State for Seniors, in my community where she toured numerous seniors facilities and spoke with the residents.

I have also had the privilege of hosting numerous town halls, round table discussions and meetings with hundreds of constituents where I have heard firsthand what was important to them. It is from these discussions and others like these through some of my colleagues, other members of caucus, and that other government officials had across the country that led to many of the actions that our government has taken on behalf of Canadians.

Let me for a moment highlight some of the milestones that this Conservative government has introduced. For the first time in Canadian history we introduced pension income splitting for seniors and pensioners.

We are providing \$60 million to fully exempt the first \$3,500 of earned income from the GIS calculation to extend further benefits to seniors. This is up from a current maximum exemption of \$500.

We are giving older workers the choice to stay in the labour market by permitting phased retirement. We are increasing the age limit from 69 to 71 for converting their registered retirement savings plans to strengthen incentives for older Canadians to work and save.

We are doubling the amount of pension income eligibility for the pension income credit which benefits nearly 2.7 million pensioners.

We are significantly enhancing the flexibility to withdraw funds from life income funds to ensure that holders of these funds will have the flexibility they need to manage their retirement savings according to their circumstances.

We are providing \$282 million over the next two years to expand the veterans independence program to support the survivors of veterans.

We have introduced a new \$1,000 Canada employment credit for all working Canadians.

We are increasing the basic personal exemption to \$9,600 retroactive to January 1, 2007. This basic personal amount will be increased to \$10,100 on January 1, 2009. We have decreased the lowest personal income tax rate to 15%. We have decreased the GST by 2%, resulting in total savings to Canadians of approximately \$12 billion alone in 2008.

We have provided a universal child care benefit which provides all families \$100 a month, regardless of income, for each child under the age of six.

We are providing a new \$550 million per year working income tax benefit of up to \$500 for individuals or \$1,000 for families. This will reward and strengthen incentives to work for an estimated 1.2 million low income people, helping people over the welfare wall.

We are helping parents and others save toward long term financial security of persons with severe disabilities with a new registered disability savings plan.

We are providing a new \$2,000 child tax credit that will provide up to \$306 per child of tax relief to more than 3 million Canadian families.

We are ending the marriage penalty by increasing the basic spousal amount to provide up to \$300 of tax relief for a supporting spouse or single taxpayer that is supporting a child or relative.

The Budget

We are strengthening the registered education savings plan by eliminating the \$4,000 limit on annual contributions and increasing the lifetime contribution to \$50,000 from \$42,000.

We are also providing \$350 million for a new Canada student grant program beginning in 2009 and increasing it annually to \$430 million by 2012-13.

•(1110)

This budget is indeed balanced, focused and prudent. Here are a few comments from organizations with regard to the budget. The Canadian Association of Retired Persons which works on behalf of Canadians seniors said, "CARP commends the [...] government for listening to many of its recommendations over the years and taking steps in the right direction for the 50 plus Canadians".

The Investment Industry Association of Canada states in its press release, "The IIAC commends the federal Minister of Finance on his responsible budget in difficult and uncertain times that preserves fiscal integrity and builds on the government's pro-growth productivity agenda".

The Canadian Federation of Independent Business which represents over 100,000 business owners applauded the government's pledge to slash the federal debt.

The reason for such praise of the budget is well warranted. Specifically worth noting in budget 2008, which has been talked about some of my other colleagues, is the introduction of the tax-free savings account.

This is the most important federally driven personal finance innovation since the introduction of the registered retirement savings plan. This flexible, registered, general purpose account will allow Canadians to watch their savings, including interest income, dividend payments and capital gains, grow tax free by allowing all Canadians age 18 and over an investment vehicle that will allow them to build their savings tax free and investments in principals of up to \$5,000 a year.

While an RRSP is a tax-free account designed for retirement years, this account is one that Canadians can use to build their savings tax free and that can be used to meet the sudden demands for money that we have all faced.

An RRSP is primarily intended for retirement but the tax-free savings account is like an RRSP for everything else in one's life. Whether that demand be for renovation, a new vehicle or a well-deserved vacation, the withdrawal can be made without penalty and paid back at any time. No wonder this announcement has garnered so much wide praise.

The Council of Chief Executives stated, "The introduction of the tax-free savings account creates a flexibility of a new vehicle for encouraging savings and investments and has a minimal impact on the treasury".

Our government already believes that Canadians know what is best in managing their own personal finances and the TFSA is another tool that we are giving them to ensure greater choices, greater flexibility and most importantly, greater rates of return.

Another important aspect of the budget that I wish to draw to the attention of members is the importance of the long overdue changes the budget brings to the employment insurance program.

For too many years there have been huge surpluses that were arbitrarily deposited in general spending and this was a sign that employees and employers were paying too much money. Instead of fulfilling the original plan for the EI program that was to be an insurance policy, it had become a huge tax revenue program placed on the backs of Canadian employers and their hard working employees.

In 2007 our Speech from the Throne committed the government to correct this unacceptable situation and I am pleased that in budget 2008 it does just that.

By setting up a new independent crown corporation, the Canada employment insurance financing board, the employment insurance program will become what it was designed to be, a revenue neutral entity in the long term that is there to help employees deal with employment loss and to help them return to gainful employment.

By having a separate account, there will be transparency that has been sorely lacking. Any EI surpluses going forward will be held and invested until they are needed for EI costs.

The Canadian Restaurant and Foodservices Association said, "It is significant that this inappropriate practice is coming to an end, and with a sound governance structure for the new crown corporation, this announcement should result in EI premium savings for both employers and employees".

This budget has many merits indeed. I congratulate the finance minister and his staff on a job well done. They have continued to balance the many important and varied needs of Canadians with the necessity for continued fiscal prudence.

Our government has accomplished much in the last three budgets including reducing debt, returning billions of dollars back to hard working Canadians through tax cuts, and increasing transfer payments to provinces to deal with infrastructure investments.

Going forward, the outlook looks bright. While it is true there are many uncertainties on the horizon as global economies that we are linked to have begun to slowdown, our own economy continues to perform remarkably well.

•(1115)

Given the prudence and the sound choices of the Minister of Finance, I am confident that we are prepared to meet and overcome future challenges. Our government continues to provide clear direction, fiscal foresight and welcome tax relief. Our government continues to provide responsible leadership, not only for the people of Niagara West—Glanbrook but indeed for all Canadians.

[Translation]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, I would like to ask my colleague a question about the tax-free savings account. When the government or the Conservative Party makes an announcement that seems interesting, my natural reflex is to wonder what is behind it.

The Budget

The member is aware that people often do not invest the full amount they could in their registered retirement savings plan, or RRSP. In fact, most people could put more money into their RRSP. If all the people who, according to the government, are prepared to invest in a tax-free savings account were to decide overnight to make the maximum allowable contribution to an RRSP, this would have a fairly serious impact on public finances.

At first glance, I wondered whether the government was trying to create a diversion so that people would invest in tax-free savings accounts instead of their RRSP. This would not have as dramatic an impact on government revenues in a given year. If everyone made the maximum allowable contribution to their RRSP, this would have a huge impact. The Conservative government might even have a monumental deficit as early as next year.

I know that there may be advantages to this tax-free savings account, but most people who do not have much financial freedom and are unable to contribute to both their RRSP and a savings account will have to consult a financial planner. I do not know whether the Conservative members are getting ready to leave their jobs here and go into financial planning. In any event, people will have to think twice before investing in such an account.

I would like to know what the Conservative Party's real intentions are. Are they trying to create a diversion in order to convince people not to invest in their RRSP, because in the short term that deprives the government of money and flexibility?

[English]

Mr. Dean Allison: Mr. Speaker, this is a good question. This sets aside what the fundamental difference is of this government versus other parties in that we believe in choice.

We believe that Canadians are smart enough and wise enough to choose for themselves what they would invest in. We believe this offers a great option not only to those who would choose an RRSP or retirement fund which is basically just tax deferral. The taxes need to be paid at some point in time, so that just defers it until potentially the end of life, but what we find and believe can happen is this would be a new way to encourage Canadians to save.

We realize there are many things that happen along the way and for Canadians starting a new family or needing to renovate, or buy a house, sometimes cash is at a premium. Quite frankly, a tax-free savings account would provide the flexibility that the RRSP does not provide at this point in time because that money is locked in. There are huge penalties to pay in terms of taxes when that money is cashed out.

This government believes that a dollar left in the hands of our constituents is better than a dollar left in the hand of government. We believe individuals know what is best for their families. They know what is most prudent and what makes the most amount of sense.

This vehicle has been demonstrated to work around the world, so once again, it is not anything new but certainly something that will create the flexibility, will give people an opportunity to make the choices they want to make, and to save as they see fit.

Of course, because it is tax-free, over time people may choose this vehicle instead of an RRSP. Once again, it will be their choice to

save as they will and this will create some options for individuals who do not have the same needs and issues as other individuals.

• (1120)

[Translation]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I wish to inform you that I will be sharing my time with the hon. member for Haute-Gaspésie—La Mitis—Matane—Mata-pédia.

I was listening to the Conservative colleague who spoke just before me and he said that the budget, presented by the Minister of Finance, will help Canadians. I would like to finish his sentence by saying that it might help Canadians, but it will not help Quebeckers. This budget completely ignores Quebec's traditional demands, which have been expressed by a number of stakeholders in Quebec.

In reaction to this budget, the Leader of the Bloc Québécois said that it does not provide any significant gains for Quebec. That is why I am saying it gives absolutely nothing to Quebeckers. There is no reason for the Bloc Québécois to vote in favour of this budget. Through its budget, the Conservative government is truly showing its right-wing ideology, which does not reflect the interests and values of Quebec. We really see that in this budget.

Yesterday morning, a number of newspapers in Quebec reported on the general sentiment about this budget in Quebec. Alain Dubuc, from *La Presse*, summed up this sentiment quite well:

This lack of vision can be explained by the conservative philosophy of the [name of prime minister]government, which does not believe in the role of the state and avoids economic intervention like the plague. It is an outdated conservatism that is not found anywhere else in the west.

We feel that it is Quebeckers who will foot the bill for this ideology. This budget utterly lacks vision. The crisis in the manufacturing and forestry industries is getting worse and thousands of workers are paying the price. I know all about it because if there is a riding that has depended on the forestry industry for years, where the economy for the most part is centred on forestry and manufacturing, it is my riding of Saint-Maurice—Champlain.

For years now we have felt like the Conservative government is completely absent from any sort of "aid" process. We can feel it. People expected this government, which had a \$10.3 billion surplus at its disposal, to allocate that money to help companies and workers, but it did not. People are dismayed and desperate.

The Budget

This budget utterly lacks vision. It will not help families. Entire regions are in crisis, families are in crisis, and elderly people living below the poverty line feel that the federal government has abandoned them, even deceived them. During the last election campaign, the Conservatives promised to grant full retroactivity to those who had been cheated out of their fair share of the guaranteed income supplement, or who did not have access to it for various reasons. The Conservatives promised fully retroactive reimbursement, but they did not keep that promise even though they had \$10 billion at their disposal. That is incomprehensible.

Things are happening. Education should be public priority number one, because we know there will be a shortage of skilled labour. Institutions are also chronically underfunded. There is nothing in this budget to suggest that the government is planning to increase transfers for post-secondary education. It looks as though the Conservative government missed the boat on this issue.

When it comes to the environment, humanity is struggling with one of the greatest environmental challenges in history. Everyone knows this. Increased greenhouse gases are having a negative impact on all human beings. Canada produces a lot of greenhouse gases, especially in the west and Alberta. Those emissions raise our national average. Quebec produces far less greenhouse gas emissions.

• (1125)

Quebec loses out on that score.

And now, to culture. The Quebec nation is a francophone nation that accounts for less than 2% of the population of North America. The government is well aware that the survival of the Quebec nation depends on cultural development, but there is nothing in the budget to improve the cultural system despite the benefits to be had from promoting francophone and Quebec culture more energetically.

It is clear that the challenges are great and the needs desperate. Yet we have a government full of dinosaurs that wants to use \$10 billion to pay off the debt. Nobody in Quebec agrees with that. It is a crazy thing to do. This must be some kind of budget fanaticism. Whether the Liberals admit it or not, this kind of fanaticism is very bad for Quebec and for Canada, I am sure. Many Quebec commentators agree. Here is what Messrs. Dupuis and St-Maurice of the Desjardins group said:

Considering the massive needs in terms of urban infrastructure, environment, health and education, and the difficulties many provinces have balancing their budgets, we suggested that the government use any surplus beyond that objective to improve our competitiveness, help the provinces struggling to balance their budgets or help municipalities address their growing infrastructure needs.

The Conservative government listened to no one, blinded by its own ideology. It turned a deaf ear to Quebec.

I would also like to share some remarks made by Quebec's finance minister, Ms. Jérôme-Forget. She said that the Conservative government makes choices that do not reflect Quebec's priorities. She went on to say:

I am disappointed because there was a \$20 billion margin in the context of an economic slowdown. We were hoping the government would do more for older workers and for the manufacturing and forestry industries in Quebec.

The leader of the Action démocratique du Québec, a friend of the Conservatives, also said that the aid for the manufacturing and

forestry industries was not enough. As well, he mentioned the \$1 billion shortfall in post-secondary education transfers. He was of course alluding to the issue of the fiscal imbalance, which is nowhere near resolved, if only because of this major oversight by the Conservative government in its budget.

The day after the budget was tabled, the president and CEO of the Quebec Forest Industry Council said:

I have no doubt that the Harper government has just thrown in the towel and wants market forces to clean up the forestry industry, instead of providing support that could have prevented some of the problems.

That is the reality. Soon, there will be more problems, and more businesses in Quebec's manufacturing and forestry industries will shut down. Once again, there will be more completely senseless human tragedies, when the government could have intervened.

All things considered, the worst injustice of all is being committed against our seniors. When he was in opposition, the Prime Minister had promised to pay back seniors who had been cheated out of the guaranteed income supplement, as I mentioned earlier. The Prime Minister broke that promise. He turned his back on our seniors and the most vulnerable among them. Those who receive the guaranteed income supplement are indeed vulnerable people. The only thing they are being promised is that they can go to work to earn \$3,500 instead of \$500. These people, at 68, 69 or 70 years old, who have very little in the way of a support network and are often physically unwell, are being told that, if they need more money, they can work for a pittance at Wal-Mart or some other such place. That is the only way the government wants to help them. It is absolutely unbelievable.

I have talked about culture, the environment and our seniors.

• (1130)

Everyone knows how often the Bloc Québécois has repeated that the government also abandoned the Kyoto protocol and that it absolutely must reinvest to ensure that we can one day do our share. Quebec is doing its share. We expect the same thing from the Conservative government, so it can help us continue.

[English]

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, the member made some great points about things that were not in the budget, such as putting back the \$5 billion taken from first nations in the Kelowna accord, the \$10 billion taken from Canadians in need, from the child care programs that were all cancelled, and from the many greenhouse gas programs cut by the government.

First, I want to compliment the government on listening to our repeated demands to have the northern tax benefit allowance increased. I talked to the finance minister personally. We put in a lot of petitions, some from Yukon municipalities. We are very happy that the government listened to us.

The Budget

However, what the government did not listen to and what I would like to ask the member about is tourism and museums. As members know, the government took away the GST rebate for individual travellers coming up through my riding in motor homes et cetera. That has hurt our tourism industry. The Canadian Tourism Commission and the Yukon tourism industry made a big submission on that.

The government has also cut museum funding, which is very important for tourism with regard to all the little community museums. There is nothing in the budget to rectify this disastrous problem stemming from previous budgets.

I would like the member to comment on those two items.

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Speaker, I thank my colleague for Yukon for asking this question.

With respect to aboriginals, a federal government responsibility, we know that they absolutely need additional assistance. There is no indication in this budget that the Kelowna accord will be honoured.

Aboriginal peoples are citizens living in very unique and difficult situations in Quebec and the rest of Canada. These people are grappling with extremely difficult problems and living conditions that are unacceptable for the vast majority of people. Once again, the Conservative government decided to use most, if not all, of the surplus to pay down the debt even though there are such pressing needs—as I mentioned—with respect to seniors, various sectors such as the forestry industry, the manufacturing industry as well as communities affected by these problems. There are also the aboriginal peoples, the group most ignored in this budget.

[*English*]

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, my hon. colleague shares a seat at the finance committee with me and I have great respect for him, but he is complaining about Quebec not being recognized in this budget and I would certainly beg to differ.

The member has been a strong advocate for older workers. We have addressed that in this budget, with \$90 million to extend the initiative for older workers. I am not sure whether the hon. member has not got to that page in the budget yet, but I would remind him that we have recognized this as an issue.

As for suggesting that we have not recognized the serious concerns in the forestry industry, which is certainly one of the major employers in Quebec, there is the \$1 billion community development trust, not to help the forest industry, but to help the people who were impacted by the downturn in the forest industry.

As his leader has already expressed that his party will be opposing this budget, I would like the hon. member to please tell me how he will explain to his constituents that he voted against \$90 million for older workers.

• (1135)

[*Translation*]

Mr. Jean-Yves Laforest: Mr. Speaker, to answer the question of the parliamentary secretary, I would say that we know that the \$90 million he has mentioned is allocated to extending the TIOW

program, which is a training program. He is using my riding as an example. Among the workers in my riding who are losing their jobs, many are traditional forestry workers, people who have worked in mills for many years.

The TIOW program will allow some of them to be retrained, but not all. There are many. A pulp and paper mill closed last fall and 550 workers lost their jobs. These individuals will not find new jobs. Many are 50, 54 or 55 years old. It makes no sense to train them in computer technology or to ask them to work in the tar sands. They have families, they are established in a region where they have lived for years. They only needed some money, some help like the former POWA, to survive and to reach retirement. That did not happen. They were told to go get some training and work in another field. That makes no sense for many of these workers.

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, I would like to congratulate my hon. colleague from Saint-Maurice—Champlain for his speech, which, incidentally, was excellent and effectively summarized our position on the budget.

I listened to the budget speech and was astounded by the measures announced by the Minister of Finance. I was awfully surprised, I must admit. I felt I absolutely had to contact some citizens in my riding, to hear what they thought of it.

The first person I contacted was Ms. Beaulieu, who is 82 years old and lives in low income housing. She receives her modest pension and the guaranteed income supplement. I told Ms. Beaulieu that this fine government decided it would help her. I told her that the government just decided to increase the tax exemption to \$3,500, if she has any other income. She replied that she has no other income. I told her that if she has no other income, she will have to work to receive her \$3,500 exemption. She answered: “Yes, but I am 82 years old.” I told her that, even though she is 82 years old, if she wants to benefit from the exemption the government is offering, she will have to go to work. She does not have a choice. That is what the government is offering. She told me that, for years, the government did not pay her the guaranteed income supplement. She had sent in the form, but never received a reply. I told her it was because she made a mistake on the form. Since she made a mistake, government employees threw out the form and did not call her. She replied that she received only 13 months of payments. I told her that the Prime Minister had explained this to her, that he had said that it was too complicated to pay her back in full. So she asked me if she could do the same thing if she owed the government money. I told her no, that if she did that, I am quite certain the government would find her and that it would not take long.

The Budget

This lady was so happy to learn that she could go back to work at 82 and that it would take her 15 weeks at minimum wage to qualify for a \$3,500 deduction. She was so happy that if the Minister of Finance had been standing right there in front of her, the minister might not have survived. I have to say that she was really not very happy.

I then got in touch with Mr. Lecours. Mr. Lecours lost his job nearly a year ago. Soon he will no longer be entitled to employment insurance, and he will have to go on welfare. Mr. Lecours is 59. He comes from a large family, and he began working in the bush at 16. His father could not afford to send him to school, and he was forced to quit before he had even finished elementary school.

Mr. Lecours worked for 43 years. Today, he has no job because the little sawmill where he used to work closed. I told Mr. Lecours that our fine government was going to help him. That is what the government said in the budget speech. "Really", he said. I told him that it was true and that from now on, he was entitled to training. He answered that he had not even finished elementary school. I told him, "That does not matter, Mr. Lecours. The government is going to send you back to finish elementary school. You are 59 and you may have made it only as far as fourth grade, so you have at least two years of elementary school to make up. After that, the government is going to send you to secondary school for five years. That makes seven years in total. The government is also going to send you to CEGEP for three more years to get a technical diploma". We added it all up, he and I: two years plus five years plus three years makes 10 years. He is 59. I told him that he would be proud to have a diploma at 69, that he would be educated. This man was so happy that if the Minister of Finance had been standing right there in front of him, I am not sure the minister would have survived.

After that I spoke to Mr. Ross. Mr. Ross is the father of an average family in Quebec. He earns an average income in Quebec, or \$30,000 a year. That is what Quebecers earn on average, \$30,000 or \$32,000. I do not remember the exact figure; it may even be a bit less than that. I told him that the Minister of Finance has just given him some good news. From now on he is entitled to put \$5,000 into a bank account without having to pay tax on the income generated by that account. He told me, "Yes, but how do you expect me to put \$5,000 into a bank account when I only make \$30,000 a year. I have rent to pay. I have to pay for food and transportation and I have two kids. How do you expect me to do that?" I asked him whether he could put a little money aside. The Minister of Finance has told him it is important to save money; it is extremely important. He told me that he is not able to save. At the end of the month, he does not have any money left. I told him I would make an agreement with him. I suggested that next year, on January 1, 2009, he should try to have \$1,000 in his bank account.

• (1140)

I told him that he was not to touch it before January 1, 2010, if he wanted to earn interest. And I told him that \$1,000 would earn roughly 3% in interest, which would give him \$30, which is good. He will earn \$30 over the year.

I asked him what his tax rate was. He said that with his income and his children, his tax rate is roughly 20%. I told him that 20% of \$30 is \$6 if he does not touch his \$1,000. Mr. Ross will get \$6 to buy

some shepherd's pie on January 1, 2010. He was so happy to hear that. He was unbelievably happy. Can you imagine?

After that I spoke to Mr. Saint-Jean—

Mr. Serge Cardin: If the Minister of Finance had been there—

Mr. Jean-Yves Roy: Indeed, if the Minister of Finance had been there, he might not have survived. I thank the hon. member for Sherbrooke.

The next person I talked to was Mr. Saint-Jean, someone I know who is not from my riding. Mr. Saint-Jean is a manufacturer in the lumber industry, and his business is struggling and on the verge of closing.

I asked him if he had watched the budget speech. He told me that, yes, he had. I told him that our good Minister of Finance had decided to help him by giving him a tax credit. Mr. Saint-Jean said that he does not pay any taxes because he is not making any money and is nearly bankrupt. I told him that it did not matter, he would be getting the tax credit anyway because that is what the minister said he would do to help Mr. Saint-Jean.

Mr. Saint-Jean was so deliriously happy that if the Minister of Finance had been standing right there in front of him, the minister might not have survived. Am I making myself clear?

After that, I placed a call to Rimouski. Not long ago, the Minister of the Economic Development Agency of Canada for the Regions of Quebec went on tour in the region. He did not make any announcements, but that does not matter. The flight cost \$5,000, but that is no big deal because at least he visited the region. He told the people in charge of the marine biotechnology research centre, which was created by dint of hard work and investment by the people of eastern Quebec and those involved in research, that the research centre would have to start making money within two years. Is that clear? He told them that the federal government can no longer help them—no longer wants to help them. The centre will have to turn a profit within two years.

But a research centre cannot turn a profit within two years because a research centre is not, by definition, a profit-making venture. No research centre in the world can claim to be profitable. Neither pure nor applied research is profitable. It is an investment. It can lead to business opportunities in a given sector. It cannot be profitable from the start. We all know that. It might not make any money for many years. Nevertheless, research results in new products, new solutions, and new business opportunities in leading-edge sectors.

The good Minister of the Economic Development Agency of Canada for the Regions of Quebec told the mayor of Rimouski that the government could no longer help him and that he would have to fund the centre himself. But the federal government's Minister of Justice is saying there is more money for research and development. Where is this money going? Primarily to the Ottawa region, because there are so many research centres in this region that we have to keep them going.

The mayor of Rimouski was so happy that if the Minister of the Economic Development Agency of Canada for the Regions of Quebec had been standing right there in front of him, the minister might not have survived. Are you following me?

The Budget

On a more serious note, this budget offers absolutely nothing to regions like mine. Not only does the budget not offer anything, but it also completely destroys all the initiatives we have made in our regions over the years to try to develop new prospects and businesses.

I would like to thank the Speaker for letting me know I have only one minute left. Fortunately the Minister of Finance is not standing in front of me, because he might not survive.

This budget does not address any of the expectations or needs of most seniors in my riding. These people would have liked to have seen a minimal increase in the guaranteed income supplement so they could at least live on the poverty line.

The budget in no way addresses the needs of the industries or of people who have an average income of \$30,000 or less. Even if I were to give you a tax break, on a salary of \$22,000 or \$23,000, you would not be paying any taxes.

• (1145)

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I really liked my colleague's speech, with its hint of irony, as it pointed out the extent to which this budget does not reflect Quebecers' priorities. It is somewhat pathetic to see the Liberals letting such a poor budget go through and giving the government a blank cheque, so to speak, to continue its disastrous policy.

I know that my colleague discussed this budget with many people from his riding who did not benefit at all from it. I am sure he had an opportunity to speak with students from his riding for whom this budget provided nothing. The Bloc Québécois asked that the scandalous and shameful cuts made by the Liberal Party to post-secondary education transfers, beginning in 1995, be reversed. We were not asking for the moon; we were just asking for these transfers to be restored for our youth attending CEGEPs and universities. They are the future of our society. We asked the government to make up the shortfall created by the Liberals but it did not meet our expectations.

Were the students my colleague met in his riding as enthused as the rest of his constituents about the idea of meeting the Minister of Finance?

Mr. Jean-Yves Roy: Mr. Speaker, indeed, they are so happy about what they were offered that if the Minister of Finance had been standing in front of them, he probably would not have survived. That is definitely a symptom of the Conservative budget. I call it a symptom, because it is practically a disease.

If we want our society to develop, we must invest heavily in education and training. Telling young people that we will not invest enough in post-secondary education basically means telling people from low income families that they will never be able to access post-secondary education, or complete university or even a college program. We cannot forget that, despite the loan and bursary system, young people still leave university with a heavy debt load. At present, the system does not really meet the needs of our citizens who want to receive training, particularly young people.

The federal government had an incredible surplus. It had the capacity to reinvest in education through transfers to the provinces, but it did not do so. This is unfortunate, since it is our future that is

being forfeited by the federal government. It is jeopardizing the future of many citizens who will unfortunately never be able to access post-secondary education.

• (1150)

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, I would like to remind my colleague that, in the last three Conservative budgets, our government solved the fiscal imbalance. Over the past two years, health and education transfers to Quebec rose by \$4.5 billion, for a total envelope of \$16.7 billion for Quebec.

I hope that my colleague will have an opportunity to reread the budget as it contains some very important items for all Quebecers such as the creation of a crown corporation to manage employment insurance, in response to the legitimate request by employees and employers to manage their funds. This measure is in the budget.

My rural colleague certainly will be pleased to know that, with respect to the pork and beef industries, there are specific measures to help our pork producers.

Given that there are so many good things in this budget, how can they vote against the interests of Quebec and Canada? Are they that embarrassed to support a good Conservative budget?

Mr. Jean-Yves Roy: Mr. Speaker, people here seem to have an exaggerated sense of the ridiculous. The fiscal imbalance has not been resolved. Let us be honest: to resolve the fiscal imbalance, there have to be tax transfers or something the federal government cannot go back on. Currently, if we get a new government and it decides to cut the transfers, then it is game over. Cutting a cheque will not resolve the fiscal imbalance. That is not how the fiscal imbalance will be resolved with the provinces.

Furthermore, my colleague said that the regions should be pleased with the budget. There is absolutely nothing in this budget for regional development. There is zero—less than zero. Not only is there less than zero, but the proposed measures will harm the regions. The government is currently closing research centres. For example, it has closed the research centre in Trois-Rivières and is going to close the one in Rimouski. And yet, these research centres would help us develop businesses. The hon. member cannot tell me that this budget will help the regions and that we should be happy to vote in favour of it. Let us be reasonable.

The Acting Speaker (Mr. Andrew Scheer): The hon. Parliamentary Secretary to the Minister of Finance on a point of order.

[English]

Mr. Ted Menzies: Mr. Speaker, I rise on a point of order. I listened to the speech of the hon. member for Haute-Gaspésie—La Mitis—Matane—Matapédia. I certainly hope there was something lost in the translation, because the hon. member on several occasions suggested physical threats against the finance minister.

The Budget

Not only did he inappropriately point out a member of this House who was not sitting here physically today, but he also suggested that he would not survive, and I will let you check the blues, Mr. Speaker, if you would. I find that very unparliamentary, Mr. Speaker, and would ask that you check the blues and, if so, follow up with appropriate action.

[Translation]

The Acting Speaker (Mr. Andrew Scheer): Is the hon. member for Haute-Gaspésie—La Mitis—Matane—Matapédia rising on the same point of order?

Mr. Jean-Yves Roy: Mr. Speaker, the answer is very simple. When I was saying that the Minister of Finance might not survive, I meant he would not survive as Minister of Finance. That is what I meant. This has nothing to do with physical harm. We are talking about a minister and we are saying that he is a bad manager. Let us be clear.

The Acting Speaker (Mr. Andrew Scheer): Is the hon. member for Jeanne-Le Ber rising on the same point of order?

Mr. Thierry St-Cyr: Yes, Mr. Speaker. I would like to point out that in his point of order, my Conservative colleague referred to the minister's absence from this House, which he clearly has no right to do. This is completely inappropriate.

[English]

Mr. Ted Menzies: Mr. Speaker, I was clarifying what the hon. member's statement was. To provide that information to you, I had to address the fact that the hon. member had pointed out.

• (1155)

The Acting Speaker (Mr. Andrew Scheer): I think we have drifted into the realm of debate. Of course I will have a look at the blues, but we will move on to resuming debate.

The hon. Minister of Fisheries and Oceans.

Hon. Loyola Hearn (Minister of Fisheries and Oceans, CPC): Mr. Speaker, it is certainly my pleasure to participate in the debate. I will say at the start that I plan to share my time, with your permission, with the member for Kitchener—Conestoga.

I want to compliment the Minister of Finance on a budget that has been widely accepted by Canadians and certainly by people in my own province. Over the last day or so we have seen a number of groups, agencies and individuals come out and publicly praise the budget, which we do not often see. They are praising the budget, in some cases elements of it and in some cases the budget generally, knowing that in relatively difficult times we have a fair, prudent budget but one which keeps in mind the needs of all people across the country.

Praise has been heaped upon the minister from student groups, truckers associations, tourism groups, boards of trade and chambers of commerce, et cetera. The only negatives are from the political people. One would expect that. It is a political game and it is not to one's advantage to praise the other, even though it certainly is consoling to see the opposition party in the House praising our budget in the form of supporting it. We are delighted with that.

As I mentioned, the only people against it are people with a political bent. Unfortunately, I saw some negative comments from

the head of the fisheries organization, the Fish, Food and Allied Workers, in Newfoundland. No group of people in our province has benefited more from this government than the people involved in the fishery, whether they be harvesters, processors, plant workers, et cetera.

One of the concerns raised was about the changes that would be made to the Employment Insurance Act. There, when we are talking about establishing an arm's length organization to manage the EI account, we are responding to requests from people in industry, requests that have been brought forward year after year. They saw major surpluses building up in the employment insurance fund that were not going back to the people who really should be benefiting from it, the people who pay in, whether it be the employers or the employees.

We committed to address that. It is not in any way taking anything away. It is giving money right back to the people who contribute to the fund, whether they be employers or employees. These are the very people who will benefit from the new move to eliminate this huge surplus and allow the money to remain in the pockets of those who have been contributing to it. That is a very positive move. People should not be playing games with this decision.

Having said that, there are two areas that I want to comment on in my short time. One of them relates to my department and the other my province.

In relation to the department, we, as we would say, did very well. There were major initiatives that we wanted to address, one of them being the Coast Guard.

When the Conservatives became the government two years ago, the Coast Guard was basically inactive and ineffective simply because we saw rust-out in relation to the infrastructure and a lack of funding to even keep the boats at sea. There was no work being done on surveillance simply because enough money was not being put into the regular maintenance of the boats, nor was there even enough money to put fuel in them in order to go out and do the work.

Last year we invested \$750 million in the 16 new Coast Guard boats. This year we have in the budget \$720 million for one new polar class icebreaker. Not only will it replace an aging smaller icebreaker, but the one we plan to acquire is a new state of the art icebreaker, bigger than ever, to ensure that Canada has a strong presence in the north and that the job can be done.

• (1200)

On top of the funding for the Coast Guard, we saw a major contribution in aquaculture. Aquaculture is becoming a major industry in this country. It is becoming a major industry in other countries in the world. Canada should be leading the way, but we are not. Our expertise is leading the way. Many of the countries that are doing very well have availed themselves of Canadian expertise. We have fallen behind, but we are going to make sure that does not happen in the future. We have to move forward.

The Budget

An investment of \$70 million in aquaculture is significant and with the private sector investment and involvement we are going to see an industry that will certainly be moving forward in this country. It is an industry that can co-exist quite easily with the wild fishery. If we combine both, the amount of employment generated certainly will be significant.

Many of the smaller communities that were devastated by the loss of groundfish, et cetera, have a new lease on life. They are being revived with all kinds of employment, and not employment for eight or ten weeks, but year-round solid employment.

We have made a major investment in our province. The big news coming out of the budget as it relates to our province is a new ferry and the approval of government for Marine Atlantic to acquire a new ferry, a huge ferry that will double the capacity of any boat that we now have.

This will enable the truckers to move goods to and from the island, the fish, lumber, et cetera, without having to worry about lining up on the docks in Port aux Basques or North Sydney wondering how long it will be before they can move. When one is moving fresh product it makes an awful lot of difference as to how long one is going to be parked in a yard somewhere.

This new ferry will also encourage more tourists. Again tourists now have to line up, or they do not even bother to come because they know they will have to wait and wait to get to and from the island. We will have a ferry with the capacity to move anyone who wants to visit that great island of ours.

I find it difficult to think that there are members here who have not visited the great province of Newfoundland and Labrador. It is the last great frontier of this country. It is great to experience the friendliness and hospitality of the people, to see the rugged scenery and the beauty. We encourage people to visit and now, as of this year, they will have no trouble getting there.

Some people criticized the fact that they did not see any money for roads. Recently we signed the \$430 million infrastructure agreement. This year alone there will be over \$100 million spent on roads in Newfoundland and Labrador. We will be starting the major Trans-Labrador Highway with a \$50 million investment from the federal government. As this road is completed over the next five or six years, we will make sure that it ties in with the rest of the major highways in the country so that people will be able to travel right through this great frontier.

On top of that, we have money for more policemen in our country. We have money to enable more students of low and middle income to go to college, because 100,000 students across this country will be able to qualify for scholarships more so than in the past.

One of the hidden things in the budget is the amount of money in research and development. There are a number of initiatives in this budget to encourage people with innovative minds and the new companies we see springing up to take advantage of science and technology and research and development. It will encourage the great Memorial University and the associated colleges to get into research and development in our fishing industry and other industries also.

I could praise this budget for hours, but I promised to share my time with my colleague and I will therefore end my speech.

● (1205)

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I listened to my colleague with great interest. I have had the pleasure of working with him on the fisheries and oceans committee over the last number of years. One thing that anyone who has spent time on that committee knows is that quite often on the political spectrum opinions are like-minded. The committee is always trying to do its best to work for the betterment of those who work in the industry.

That being said, I know that one aspect of the fishery that was brought forward by the minister when he was a lowly MP on the opposition bench concerned small craft harbours. I have not found anything in the budget about small craft harbours. Is the minister disappointed that in this budget small craft harbours seem to have been neglected?

Hon. Loyola Hearn: Mr. Speaker, I assure my hon. colleague and friend that small craft harbours are certainly not neglected.

Back in my first year in the House and my first day on the standing committee I would suggest, I raised the issues of infrastructure and wharves involved with small craft harbours. My initiative encouraged the committee to do a major study which resulted in an extra \$100 million being put into the budget. That \$100 million ran out last year.

What the government did in the last budget was not only to secure that amount of money on a permanent basis, not for five years as was previously injected into the budget, but on a permanent basis. We added to that an extra \$11 million. Last year we added to the base of the small craft harbours budget, \$31 million.

One problem we have with small craft harbours is we now have a number of wharves scattered throughout the country, many of them in Quebec and Ontario, that fishermen no longer use, but they are used by towns, recreation groups and marine associations. Many groups would like to have these wharves. Many of the wharves are not being used at all and are falling into a state of disrepair.

It is similar to interest on a credit card. It has been taken away from our small craft harbours funding. What we have done this year is we have added an extra \$10 million to the budget, and in fact over the long term we have added a lot of money to address small craft harbours. The focus is to clean them up and get rid of them, so that we can use the money for the real purpose of the wharves that the fishermen need.

The Acting Speaker (Mr. Andrew Scheer): There is enough time left for a brief question or comment. The hon. member for Yukon.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I will make a brief comment. The member said that all the groups were in favour of the budget, but the president of Canadian Manufacturers and Exporters said:

We received recycled ideas and pocket change at a critical time when we needed tangible solutions.

The executive director of the Cooperative Housing Federation said:

The Budget

Unfortunately, the federal government's budget failed to deliver on affordable housing for the millions of Canadians living in core housing need.

RBC Financial Group said that this is more about optics than substance.

John Williamson of the Canadian Taxpayers Federation said that this is a spendthrift government.

I have a great deal of respect for the member. I think he is an excellent member. I would like him to keep up the integrity that he always shows. I would ask him to apologize to those organizations when he said that all organizations were complimentary and in favour of the budget.

Hon. Loyola Hearn: Mr. Speaker, very briefly to my friend, when I made those remarks, I talked about the groups in my own province that I had heard from. I listed several of them. I listed some groups that were against the budget. Nationally, it might be a different story.

I would suggest to the member that because he is in opposition, and I understand that because I was there myself, he has picked the negatives. We collectively have to start looking at the glass as not being half empty, but as being half full and in fact, it is starting to move toward the top. In another 10, 15 or 20 years with this government in power, we are going to have a great country, despite what we had to deal with when we took over.

• (1210)

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Mr. Speaker, I am honoured to have the opportunity to speak today in support of budget 2008. It has been said before and it deserves to be restated: this budget is balanced; this budget is focused; and this budget is prudent. I would like to extend my congratulations and thanks to the Minister of Finance for his continued fine work on behalf of all Canadians.

We have heard from many sectors that are giving their strong support to this budget. Kevin Dancey, president and CEO of the Canadian Institute of Chartered Accountants, stated of budget 2008:

This is a prudent, steady as she goes budget from the government. Coming at a time when the Canadian dollar is strong and the U.S. economy is struggling, the federal budget follows through on the government's commitment to reduce debt while targeting program spending, job creation and encouraging savings by Canadians.

This is a budget that clearly demonstrates financial responsibility.

Mr. Perrin Beatty, the president of the Canadian Chamber of Commerce said this:

The Canadian Chamber of Commerce is pleased that the budget addresses a number of our recommendations in critical areas such as infrastructure, immigration, creation of an Employment Insurance Financing Board, and education and training.

He continued:

The current and foreseeable Canadian and global economic climate dictates prudence and responsibility.

I would like members to please note those two words "prudence" and "responsibility". That is what this budget is about. He went on to say:

The Canadian Chamber of Commerce supports the government's commitment to reallocate program spending to higher priority areas and to invest in productivity enhancing measures. Combined with last fall's Economic Statement, which addressed personal and corporate income taxes, as advocated by the Canadian Chamber of

Commerce, the creation of a Tax-free Savings Account will encourage savings, a measure which the Chamber has sought for many years.

The number of positive initiatives in this budget will certainly take more than 10 minutes to outline, but I will do my best to at least start by highlighting some of the great news that this budget contains.

Budget 2008 builds on the success of the two previous budgets and economic updates. For example, the GST reduction from 7% to 5% means \$12 billion in savings for Canadians every year from here on in. For Waterloo region with 500,000 people, that means more than \$180 million in savings per year. For my riding of Kitchener—Conestoga, it means an additional \$40 million is available to be reinvested in the local economy each year.

The current global economic uncertainty cannot be ignored. This government has acted responsibly, decisively and early to ensure that Canada is in the best possible position to weather the storm. Our pre-emptive action in the fall of 2007 and the winter of 2008 to lower taxes, provide targeted support to troubled industries and pay down debt has done just that.

As the father of three and the grandfather of seven, the last thing I want to do is leave those generations of Canadians saddled with the mistakes of the past. Despite 13 years of careless spending under the previous Liberal government, we are working diligently to ensure that we leave things in good order for generations of Canadians to come.

Debt reduction is the responsible thing to do. It helps cut interest costs and stimulates investment. It strengthens our ability to deal with economic shocks and it reduces the share of tax dollars devoted to interest payments. The money we save by paying down debt goes right back to Canadians through our tax back guarantee. Canadians deserve, and they now have been given, a direct benefit from debt reduction. Rather than squandering the surplus, as opposition members charge, we are doing the responsible thing in giving people back their hard-earned money.

Under the tax back guarantee, the government dedicates the interest we save from federal debt reduction each year to permanent and sustainable personal income tax reductions. By 2010 the reductions provided by this measure alone will amount to \$2 billion. This makes a huge difference for all taxpayers, not just this year, not just next year, but for every year from here on in.

The current cost of our national debt is \$33 billion per year. Imagine what we could do as a country without those huge interest payments.

We all know the relief and freedom we feel personally when a debt is paid off, be it a credit card or student loan or when we finally own our homes free and clear. Imagine the freedom of future Canadians if they do not need to pay for the debt that this generation has accumulated.

• (1215)

Another way this budget looks to the future is in its commitment to invest in public infrastructure. Of the \$1.6 billion planned for infrastructure initiatives, my own province of Ontario will receive \$515 million.

The Budget

These initiatives have significant support under the building Canada plan, which includes the gas tax fund, the building Canada fund, the increased GST rebate for municipalities and the provincial-territorial equal per jurisdiction fund. In the Waterloo region these combined programs will result in approximately \$63 million of investment in 2009-10 for infrastructure projects.

In their February 26 press release, the Canadian Urban Transit Association said it was delighted that the budget commits significant new support to invest in public transit infrastructure. The allocation of \$500 million in 2007-08 dedicated to public transit is a major boost to future access and mobility in Canadian communities.

Extending the gas tax fund as a permanent measure is an excellent response to the ongoing needs for municipal infrastructure investment. "This is a good news budget for transit", said Michael Roschlau, CEO of CUTA.

I would be remiss if I did not mention the new tax-free savings account. This powerful savings vehicle is another fine example of how this government is showing responsible leadership to Canadians. In the same way that debt reduction is a sound fiscal principle, so too is saving for the future. This measure will make it easier for all Canadians to save.

Through the tax-free savings account, Canadians will be able to deposit \$5,000 to grow tax-free, and it will remain tax-free when it is withdrawn. This is a flexible plan, designed to reflect the realities of everyday life. The ability to withdraw money when we need it without tax penalty and the flexibility to reinvest will prove to be quite beneficial for those who choose to participate.

Canadian Taxpayers Federation federal director John Williamson had this to say:

The new tax-free savings account is a pro-growth policy that will encourage Canadians to save, reward individuals and benefit the economy. This is an excellent policy proposal. Canada needs to reward people that save because their investments fuel economic growth and job creation.

For a moment I would like to focus on aboriginal affairs. I have the honour of serving on the Standing Committee on Aboriginal Affairs and Northern Development, so this area is of particular interest to me.

Ontario will benefit from \$660 million in federal investments aimed at strengthening partnerships with aboriginal Canadians through a new framework on economic development, enhanced education outcomes, better health and family services, and first nations water and waste water action plan.

"Advantage Canada" recognized that the most effective way to address the gap in socio-economic conditions faced by aboriginal Canadians is by increasing their participation in the Canadian economy.

In his book, *Dances with Dependency*, aboriginal author Calvin Helin warns against government initiatives which encourage aboriginals to become dependent on welfare and social assistance. In contrast, he offers this bright perspective:

The aboriginal business sector is expanding dramatically with the number of self-employed Aboriginal people in Canada increasing by 30.7% since 1996.

He concludes:

With the appropriate environment, Aboriginal business is poised to be a major contributor to the Canadian economy.

We know there are fantastic economic opportunities across the country. In particular, the mining and resource sectors could provide new and historic possibilities for many aboriginal Canadians to move out of poverty and dependency, and to become full participants in the labour force and the economy.

Budget 2008 takes another important step to help aboriginal people to make the most of these opportunities by committing to establish a new framework for aboriginal economic development by the end of 2008.

To continue our progress in providing access to safe drinking water on first nations reserves, budget 2008 invests over \$330 million over the next two years to extend this plan of action.

I would finally like to touch on the money that has been allotted for international assistance in this year's budget. In my work with the Christian Medical and Dental Society and other international service organizations, I have had the privilege of visiting several countries, including Zambia, Zimbabwe, Nepal, Honduras, Dominican Republic. I have witnessed firsthand the joy in a middle-aged woman's face when she received new eyeglasses and was now able to see clearly.

● (1220)

I have been able to personally use my dental training to improve the health of those who had suffered for years with chronic pain.

Canada is a blessed country and Canadians are world renowned for our generosity and compassion.

I am especially encouraged that budget 2008 provides the resources and direction required to enable Canada to reassert its influence in global affairs.

One of the hallmarks of leadership is knowing how to face challenges ahead with responsible and wise action. I urge all members of this House to give their enthusiastic support to this budget. This budget clearly demonstrates responsible leadership.

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, the member talked at length about the first nations issues. In my riding, the riding of Kenora, we have a severe problem with some of the policing issues. The Nishnawbe Aski Nation is policed by the NAN for all of Treaty 9. It has severe underfunding issues. It basically puts prisoners in plywood boxes, which is dangerous.

In budget 2008, there are a number of initiatives for front line officers and to provide more policing. Could you give me your opinion? Is there anything in budget 2008 for first nations?

The Acting Speaker (Mr. Andrew Scheer): I will not give the hon. member my opinion, but I will allow the hon. member for Kitchener—Conestoga to do so.

The Budget

Mr. Harold Albrecht: Mr. Speaker, I am glad the member did point out that in budget 2008 we have set aside a large amount of money to recruit more police officers. I cannot say specifically where these will be allocated, but I know the government is committed to working with territorial, provincial and municipal partners to help increase the number of front line police officers to improve the safety and security of all of our communities.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, in his speech the member started speaking about Liberal spending. I would like him to comment on the following quote. John Williamson of the Canadian Taxpayers Federation, one of the big critics of the Liberal Party policy in the past, stated:

Under Mr. Flaherty, the size of the federal government has grown by an astounding—

The Acting Speaker (Mr. Andrew Scheer): Order, please. I have to remind the hon. member that we cannot use proper names, even if we are quoting a third party reference. So, please refer to the member by his riding or title.

Mr. Massimo Pacetti: I apologize, Mr. Speaker.

Under [the finance minister], the size of the federal government has grown by an astounding 14.8 per cent. How is this fiscally conservative or even responsible... Amazingly, the Conservatives have bested Liberal spending. This is a spend-thrift government.

I would like to give the member an opportunity to correct the opening remarks in his speech.

Mr. Harold Albrecht: Mr. Speaker, I think one thing that almost all of the members in this House and the opposition parties continue to ignore is the rapid debt repayment that this government has embarked upon. By the end of this year, just a few weeks from now, we will have paid down over \$37 billion of debt. That amounts to an incredible amount of interest.

Currently, \$33 billion of our budget goes toward servicing that debt. I find that incredibly unfair, not only to this generation but to the generations that are going to follow. It is up to us to pay down that debt and I think that is reflected in our current economic updates and also in this budget.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I appreciate the member's interest and support of first nations people. I suggest that he might cross the floor because he suggested, I think, that it was \$660 million in expenses, but his party has taken away \$5 billion from the Kelowna accord for aboriginal people. It is good that the Conservatives put something in, but it is too bad they took so much away.

•(1225)

Mr. Harold Albrecht: Mr. Speaker, the government has moved ahead with action on aboriginal affairs issues. I pointed out the water issue. We have addressed over half of the outstanding water issues in first nations communities that have critical concerns.

There are a number of other initiatives on which the government has moved ahead with action. As I pointed out, most aboriginal people, first nations, Inuit and Métis people, are not asking for further government handouts. They are asking for economic development opportunities. They are asking for educational opportunities.

If the member has time to look at the budget, he will see that those are the two primary areas that this government is addressing. I think we are on the right track as it relates to giving aboriginal people the tools that they are asking for in order to allow them to play a role in the economy that the member and I enjoy.

Mr. Massimo Pacetti (Saint-Léonard—Saint-Michel, Lib.): Mr. Speaker, it is my pleasure to rise today and speak on the government's recently tabled budget. I would like to inform you, Mr. Speaker, that I will be splitting my time with the member for Brant.

From my perspective, as vice-chair and the former chair of the Standing Committee on Finance, the budget process has given me a unique insight into the importance of the federal budget and its effect not only on the daily lives of Canadians but on the long term prospects for Canadians as well.

As a member of the finance committee, I have been privileged to have the opportunity to hear from Canadians from all walks of life and all regions of the country in an unfiltered manner, be they non-profit, business groups, organizations or individuals.

The reason I bring up the finance committee is due to the fact that under the House of Commons Standing Orders the finance committee is obligated to prepare a report to Parliament on what it heard during its pre-budget consultations.

Therefore, since we do most of the leg work for the Minister of Finance before he tables his budget, the minister should be paying closer attention to what Canadians are saying.

Once again this year the finance committee held its pre-budget consultations and as witnesses spoke to us, actually to me, since I was the only member to be present at all the pre-budget consultation meetings. In fact, I even had to chair half the meetings while our committee travelled since the government was here in Ottawa trying to figure out how to get last year's budget bill passed in the House and moved to the Senate.

I listened to Canadians. They voiced their opinions and concerns for the Canada of today and shared with us aspirations for the Canada of tomorrow.

Canadians are passionate about the future of Canada. Like our Liberal leader says, "Canadians want the Canada of the future to be more just, to be fair, to be greener and to be economically sustainable". That is vision.

This budget has no vision. It is nothing more than a hodgepodge of credits and spending of public money with no real vision or plan. Even the government's highly touted one year old "Advantage Canada" and money back guarantee plan has now been officially shelved based on its own 2008-09 estimates.

Therefore, how can I in good conscience support a budget that has no vision? The answer is simple. Being the optimist that I am, I am able to find a few elements that I genuinely like, but upon further analysis, I now realize the reason I say this is due to the fact that many of the Conservative proposals that have been adopted in the budget are actually Liberal initiatives.

The Budget

For example, it is the Liberal Party that advocated that the gas tax transfer ought to be made permanent. It took a while but the Conservative Party has finally come around and done just that in the budget.

[*Translation*]

Even Quebec's finance minister applauded the decision to make the gas tax transfer permanent. She also liked another idea that came from the Liberal Party: investing an additional \$500 million in public transit. Quebec would receive \$116 million of that amount.

Another initiative that originated with the Liberal Party is the decision to extend the accelerated capital cost allowance for manufacturing companies for three years. This should promote investment in machinery and manufacturing equipment, and the extension makes it easier for companies to plan large purchases over the long term.

[*English*]

For my colleagues in Ontario, one positive budget proposal is the direct support to Canada's automotive sector. We in the Liberal Party for months have been highlighting not only the downturn in the automotive sector but the entire manufacturing sector in central Canada where it has suffered job losses.

That is why we immediately proposed that the Government of Canada should provide support to the manufacturing sector and not just the automobile sector in this difficult time.

• (1235)

It would appear that the learning curve for the government has shrunk considerably in recent days. The Conservatives seem to finally be grasping, ever so slightly, what the Canadian people have been telling them for two years, that a minority government is a mandate to work with its political opponents, not to try to run roughshod over them.

I do not know what they have started putting in the water at the Conservative Party's headquarters, but the next step is to increase the dosage and the frequency of consumption.

It comes down to vision. It is quite easy.

[*Translation*]

It comes down to vision. Some have it; others do not. The Liberal Party had a solid majority in the 1990s because Canadians saw that we had a vision to lead the country. The sound fiscal policies of successive Liberal governments turned record deficits into record surpluses. Liberal policies enabled Canada to begin paying down the national debt.

In short, it was the Liberal Party that did what had to be done and put Canada's fiscal house in order. When it came to power in 1993, the Liberal Party saw that Canada was being crippled by debt, and it set about addressing the debt problem. We can say proudly that, thanks to the efforts of the Liberals, the level of our national debt is the envy of the other G-8 countries. The Liberal Party understood that maintaining a budget surplus is a responsible way to govern.

We believe that any budget must contain a reserve fund of at least \$3 billion to protect Canadians from unexpected economic shifts during a fiscal year.

That is one of the weaknesses of this budget. When the economy is healthy, this reserve is not used but is applied to the debt. It is a very simple concept.

As I said, we think it is necessary to have a reserve of at least \$3 billion in the budget each year. Obviously the Conservatives do not agree, because in these times of economic uncertainty, they have left out the reserve and are predicting a surplus of only \$2.3 billion for 2008-09, and \$1.3 billion for the following year. This shows a clear lack of vision.

On page 214 of the budget—I know some people have not managed to read to page 213, because they fall asleep after the first few pages—the Conservatives themselves talk about the “Estimated impact of a one-year, 1-per-cent decrease in real GDP growth on federal revenues, expenses and budgetary balance”.

This means that if there is a 1% change in the GDP, it will cost our government \$3.3 billion and show up on the bottom line. This means that if there is a 1% decrease in GDP growth, the government will have a deficit the following year. No reserve has been set aside. So we can comment on whether the government will be in a positive position next year.

[*English*]

Today, at this very moment, this Parliament needs to address a new issue, which is that Canada is now being crippled by crumbling and outdated infrastructure. The Liberal Party proposed using \$7 billion out of this year's surplus to make a badly needed investment in Canada's infrastructure, but the Conservative government did not see fit to take this path, simply because it wants to appear to be the champion of debt reduction.

The Liberals wrote the book on debt reduction and we do not need a lecture on the subject. We simply recognize that the national debt is under control and Canada's next major challenge is addressing the infrastructure deficit that is sorely in need of an upgrade.

The Conservatives are not prioritizing properly and are throwing away a golden opportunity to invest in Canada, just so they can gain political advantage. Again that is a lack of vision.

The Conservative government introduced the Canada graduate scholarship program in this budget, which quite admirably attempts to attract top students from around the world. The problem is that there is no strategy laid out by the Conservative government to try to keep these students in Canada once their studies are completed. As it stands, these students will only be allowed to remain in Canada for a maximum of two years after they graduate. What is the logic behind investing in bright young students and then not providing them with opportunities and incentives to stay?

When it comes to education, the Conservatives have remained in the dark regarding the millennium scholarship fund. They have just decided to let it die, when it actually has an excellent track record of providing services, and according to the Treasury Board, its operating costs are only four per cent.

The Budget

The long and short of it is that the government has in one instance created a program to attract good foreign students to Canada, but it did not have the foresight to provide avenues to keep these students in Canada in the long term, and in another instance, it is allowing a successful program that helps hundreds of thousands of homegrown students, many of whom have demonstrated a strong dedication to Canada already, to fade gently into the night. This is not a good vision.

Finally, this budget proposed by the government is hardly visionary. It is definitely a Conservative budget, a problem that repeats itself time and time again. When the government sets extremely low goals for itself, this is what we get.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, my colleague, who has spent most of his tenure on the finance committee, certainly holds a great deal of respect in this House for his down to earth approach to financing. I have a question for him concerning the savings plan that was introduced as the next best thing since RRSPs were introduced in this country.

I know the finance minister, during his delivery of the budget, said that this savings plan would be a great thing. However, since it has come out, people have weighed on this program and, whether it is apprehension or doubt, are wondering whether it will have any type of impact. Some have even said that it is a lot to do about nothing, that it will be like the Y2K bug where there was a lot of talk and hype around it but who will actually have access to it. In my riding, anyone with an extra \$5,000 will probably put that into an RRSP or RESP to avoid the immediate tax.

I would like the member to weigh in and offer his opinion to the House on this program. What degree of success does he anticipate from this program?

Mr. Massimo Pacetti: Mr. Speaker, I purposely did not speak about this program because there has already been a lot of time attributed to it. However, the short answer to his question would be, what about it. This program will probably make the banks and the brokers richer because a separate account will need to be set up. We will also need to track separate investments or a separate fund but we are not sure how it will be created.

When CCRA officials were before the finance committee yesterday I asked them how much this would cost. They had no idea about the cost but I think somebody said that it would probably save taxpayers \$10 or \$15 a year. I am not sure what the cost involved is.

If the government were genuine in trying to have Canadians save, first, it never would have cut the GST two months ago, and second, all it needs to do is provide Canadians with their first \$500 of investment income tax free. It would just be an extra line on the income tax return. We would not need to set up accounts, fill out forms or monitor them separately.

This is just another way of Conservative bureaucracy which the Conservatives say they do not like but actually decide to implement even more bureaucracy.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I have two quick questions, one on poverty and the other on going into deficit.

When this is such a wealthy country and in a great economic situation, why would there be nothing in the budget to deal with poverty? That is when a country helps those most in need, especially when we can afford to. We just had the Senate committee on poverty come to the Yukon and also Ken Dryden on his national poverty tour. All sorts of witnesses gave evidence of women's homelessness, aboriginal needs and homeless youth, all of whom could have been helped by one of the wealthiest countries on earth.

Second, the member said something very scary. He said that after the Liberals came to power and got rid of the huge deficit, this budget now puts us on a hairline very close to going into deficit again, which Canadians, after fighting their way out, do not want to do.

• (1240)

The Acting Speaker (Mr. Andrew Scheer): I would remind the hon. member for Yukon not to use proper names.

I will allow the hon. member for Saint-Léonard—Saint-Michel to answer. He has about one minute left.

Mr. Massimo Pacetti: Mr. Speaker, it is always interesting when the member decides to partake in this debate. Both of his questions are related in the sense that I understand from one point of view where the government does not want to invest and make a long term plan for trying to address the poverty challenge, but the fact is that the present government has over \$13 billion to do something with right now before March 31. If it had taken action, it could have done something to help relieve the poverty in Canada.

Our leader, on more than one occasion, has made some speeches relating to poverty and I think he had a plan for it. The finance minister could have taken an example and utilized that to address some of the issues regarding poverty.

Regarding the deficit, it is a scary situation. As I said in French, if anyone were to read page 214, although I know many members would probably fall asleep after the first five pages, the Minister of Finance's own document states:

Estimated Impact of a One-Year, 1-Percentage-Point Decrease in Real GDP Growth on Federal Revenues, Expenses and Budgetary Balance.

A 1% reduction would cost \$3.3 billion. Next year, if the GDP goes down 1% as forecasted, we will be in a deficit.

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, I rise today to comment on the budget delivered by the Minister of Finance, a budget that sprinkles some minor benefits to a few sectors but, on balance, has done relatively little for any sector and nothing whatsoever for many sectors.

The task of government is to address imbalances and unfairness. Economically, the fundamental task of the federal government is to, however incrementally, narrow the gap between those who have enough and those who have too little; between those who have abundant resources and those, for instance, who are homeless; and between those who have abundant opportunities for employment and those who have lost employment through no fault of their own. On balance, the gap between these various groups has not been narrowed by this budget, or at least has not been narrowed to an extent which could have been achieved.

The Budget

The Minister of Finance himself has conceded that Canada's manufacturing sector, particularly in Ontario, has been dealing with unprecedented forces, aligning itself against manufacturing; forces including the Canadian dollar, essentially at par with the U.S. dollar; the significant growth in manufacturing in other countries, including China, Brazil, India and Mexico; the difficulty in locating skilled workers; and, in addition, the reality that our manufacturers are forced to compete on a playing field that is most definitely not level.

The harsh reality is that manufacturers are in very serious difficulty and certainly the auto industry is in particular difficulty. In my riding of Brant, hundreds of high quality, well paying jobs have been lost as a result of plants closing their doors and relocating or simply closing their doors as they could no longer be profitable in light of the combination of factors which have confronted them.

I am referring to Canadian Blue Bird Coach, Easton Coatings, Genfast, Dura Automotive and others. Some of these plants were in existence for many decades and provided solid, well paying jobs for hundreds of individuals and, by extension, their family members. Certainly the city of Brantford and the surrounding area of Brant county benefited greatly from these jobs, which are obviously accompanied by spinoff benefits for entities such as retailers and restaurants.

Most important, it is obviously jarring and upsetting, to say the least, for an individual who has worked most of his or her adult life at the same plant to be told after 20, 25 or 30 years that the job is no longer there, that head office has decided to expand into South Carolina or has relocated to Mexico or Brazil. There is an obvious economic loss for these individuals who hoped for and counted on finishing their productive working lives at the plant or factory to which they had devoted their time, skill and energy.

Capital is the most portable commodity in the world but capital is not patriotic nor is it sentimental. Capital will be invested where it will receive the most yield and it is important for the government to understand that on occasion particular sectors of Canada's economy need assistance. The manufacturing sector, including the auto sector, needs assistance now and the budget does not provide the necessary assistance.

For companies that are showing large profits, a reduction in the corporate tax rate is of assistance. For companies that have the financial resources to purchase new equipment, the accelerated capital cost allowance is of some assistance. However, for companies that are not showing a profit and do not have the current resources to buy new equipment, those measures, although widely trumpeted by the Minister of Finance, are essentially of no benefit whatsoever.

Although the government seems to have an aversion to providing help to particular sectors, it has clearly forgotten the very beneficial effects that have been felt by communities such as Oakville, Woodstock and Alliston in Ontario.

In Woodstock, for instance, just outside of my riding, the former Liberal government saw fit to invest \$60 million in Toyota's investment in Woodstock and the surrounding area. How tremendous has that federal government assistance been for the entire community? Growth is occurring at a rapid rate and well paying

jobs are being provided all because the former Liberal government, in partnership with Toyota, saw fit to invest.

• (1245)

The \$250 million spread over five years, as mentioned in the Minister of Finance's budget this week, is only \$50 million per year. This sum will only very marginally help the auto sector. Would that the Minister of Finance understood that the sector is in real difficulty and needs help.

He continually talks about the number of jobs that have been created, but does not paint the full picture. The full picture would show jobs being created, yes, but a majority of those jobs are in the service industry, paying significantly less than the jobs that are being lost. The jobs being created are often accompanied by no benefits, no pensions and no security.

Quite apart from the auto sector, manufacturing generally is facing difficult times. I conversed recently with Dennis Hewko, the chief executive officer of Eagle Precision in Brantford. Mr. Hewko is an astute business person and is well familiar with the manufacturing sector, certainly familiar with the problems faced by the sector. He advances the thought that a decrease in employment insurance would have been of assistance, but unfortunately the Minister of Finance chose not to realistically assist the manufacturing sector. There ideally would have been programs available for manufacturing. Without federal government leadership, the sector will continue to deteriorate.

The government seems rather obsessed with the so-called free market, ignoring the fact that the market worldwide is not so free after all. It is well recognized, for instance, that governments in the United States, the supposed free market capital of the world, are providing substantial inducements to industry to locate in the United States. Governments at both the federal and state level are providing incentives. At a minimum, Canada's government should provide assistance to the manufacturing sector so our manufacturers can compete on a playing field that, if not perfectly level, is at least more level than would otherwise be the case.

I have some other points.

No mention was made in the federal budget of assistance for tobacco farmers, in spite of the comment from the Minister of Agriculture and Agri-Food in the House only two weeks ago that action would be taken sooner rather than later and that tobacco farmers should, in his words, stay tuned. Tobacco farmers have stayed tuned and there has been no show for them to watch. They have been left completely out of the budget and their disappointment was expressed in a tangible fashion by their demonstration yesterday afternoon at the office of the member for Haldimand—Norfolk.

Other groups have been left completely out of the budget. There is no support for arts and culture and local museums, no measures whatsoever to deal with the reality of physician shortage and no mention of incentives for companies and employers to hire persons who are disabled.

The Budget

Last, there were \$11 million per year to accelerate the waiting times for immigrants. There are 900,000 people waiting to come to Canada. Many of those are in the skilled worker category such as physicians and engineers. The wait time is 64 months to come to Canada.

If one is a 30 year old professional, an engineer for instance in Asia or another country, who wanted to go elsewhere to pursue a career, he or she could go to New Zealand in one year. One can be accepted into Australia in 18 months. In Canada it takes almost five and a half years. It is a problem that the government has not faced. It has done nothing except to provide a measly \$11 million per year to accelerate the wait times, \$11 million from a government that spends \$240 billion a year. It is not enough. It is clearly inadequate.

Other sectors have also been left out.

• (1250)

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, the hon. member nitpicks areas where he thinks the budget has not impressed. However, look at the whole the budget, the economy and what the government has done. I do not understand why he has difficulty with reducing the GST by 2%, or income splitting for pensioners. Now we have a new savings plan. The budget addresses the issues of ordinary Canadians.

During the long 13 years of Liberal rule, taxes were going up and Canadians were feeling the pinched. Now, for the first time, when tax returns are done, Canadians will see more money returned to them. More money in the pockets of Canadians is more wisely spent than in the pockets of the bureaucrats.

I fail to understand why the member or his party would not support the budget when we take into account the global picture of what is happening with the Canadian economy, what we are targeting toward aboriginals, students, seniors, as well as reducing the GST, which benefits everyone. It is beyond our understanding. Canadians keep asking what is wrong with that party and why can it not support good policies.

Mr. Lloyd St. Amand: Mr. Speaker, the GST reduction clearly benefits the wealthiest Canadians. Those who have the most disposable cash, those who spend the most and those who can afford luxuries, then yes, they will largely benefit from the 2% reduction in the GST. However, those Canadians who are at the lower income level, expenses for whom are free from GST in any event, groceries, et cetera, the reduction in the GST will not benefit them at all.

I do not know about the riding of the member opposite, but in my riding of Brant many seniors live on their own. They have been widowed. I presume it is the same in the riding of the member opposite. I have heard from a number of single seniors who have said, in so many words, "What about me?" They are entitled at age 75 or 80 to say to the government, "What about me? I do not have a partner. I have been widowed." Pension splitting, income splitting, is of absolutely no benefit whatsoever for the single senior. That is the short-sightedness, frankly, of the government's approach to assistance for seniors.

[*Translation*]

Mr. Thierry St-Cyr (Jeanne-Le Ber, BQ): Mr. Speaker, I have one major concern about this disappointing budget with respect to post-secondary education transfers. From 1995 on, the Liberal Party viciously cut transfers. Students across the country, and particularly in Quebec, felt the devastating effects. The Liberals surely had a lack of vision when they decided to go after post-secondary education.

Would the member have liked the Conservatives to fix this mistake?

• (1255)

[*English*]

Mr. Lloyd St. Amand: Mr. Speaker, the former Liberal government did a great deal for students. The Liberal Party has well understood the importance of education and investing in it.

I agree with the question of the member opposite, at least in so far as, yes, the federal government should have done more in this budget to make it easier for Canada's students to continue their education. Brain power is the order of the day. Without assistance from the federal government, Canada's students, and by extension the economy at large, may well be left behind.

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, I am proud to rise in the House today and speak in favour of our Conservative government's 2008 budget. I will be splitting my time with the member for Nanaimo—Alberni.

I am especially honoured to support the budget for my constituents in the great riding of Palliser. Canadians like them will benefit most from the government's economic plan. I have already received a lot of positive feedback from my constituents about the budget. These constituents, like other Canadians who watched the unveiling of budget 2008 on television or who heard it on the radio, found something in our economic plan for them.

The budget offers all Canadians a reason to celebrate, regardless of age, income level, geographic location or marital status. Even though budget 2008 has something for everyone, it is also balanced, focused and prudent.

Aptly entitled "Responsible Leadership", it lays out our Conservative government's blueprint for careful stewardship of the Canadian economy in the face of challenges presented by global economic uncertainty. The Regina *Leader-Post* stated in its editorial yesterday:

This was not a sexy, free-spending budget that saw the federal Conservatives buy Canadians' votes. It allowed them instead to say they are managing Canadians' hard-earned money well.

The budget builds on our decisive, pre-emptive action taken in the 2007 fall economic update and during winter 2008 to lower taxes for people and businesses, pay down debt and provide targeted support for troubled industries. We are building on a record of soundly managing Canada's finances.

The Budget

Since the Conservative government came to office in 2006, we have reduced the overall tax burden in Canada to its lowest level in nearly 50 years. We have paid down our federal debt by \$37 billion and instituted a tax back guarantee to ensure that any interest savings on debt repayment would be returned to Canadians in the form of personal income tax cuts.

Under the Conservative government, Canada's unemployment rate is at its lowest level in over three decades. If we want to continue this economic success, it will require a steady hand on the rudder as we navigate the current volatility in world markets.

Our Prime Minister, the Minister of Finance and our Conservative government have demonstrated our commitment to the required prudence in budget 2008.

In this fiscal year we will pay an additional \$10.2 billion down on our national debt. By 2012-13, our Conservative government will have reduced the debt by \$50 billion. We believe that future generations should not be shackled by the debt of previous generations.

We are taking the same responsible approach to federal finances that Canadians apply to their own family finances. In times of economic uncertainty, people do not overextend themselves by running up bills that will need to be paid later. Instead, they pay off their bills to give themselves and their families peace of mind and security in the future.

In budget 2008 we have also given Canadians an inventive new tool to allow them to save and also an incentive to save. Our new tax-free savings account is the most significant personal financial innovation since the RRSP. It will allow all Canadians over 18 to invest up to \$5,000 per year for their own priorities. They can withdraw that money whenever they need it and any interest, dividends or capital gains will not be taxed. Any unused contribution room will be carried forward to future years and no amount earned in or withdrawn from the account will count against Canadians when determining their eligibility for federal income tested benefits, such as the child tax credit, GST tax credit or the age credit. This tax-free savings account offers all Canadians a powerful incentive to save for their individual future goals and priorities and watch their savings grow tax free.

Through the establishment of this account, our Conservative government has truly provided something for everyone. All adult Canadians can benefit from this measure: young people saving for their first car; couples saving for their first home or a wedding; families looking to fund home renovations; or seniors who want to stretch their retirement savings further or save for a trip south in the winter. This is great news for all Canadians who want to invest in their goals, their families and their futures.

● (1300)

Through this budget, our government is also investing in the future. We know that one province with a very bright future is my home province of Saskatchewan. Budget 2008 introduced several measures that will help sustain that growth.

Our Conservative government is committing \$240 million for Saskatchewan to develop one of the first and largest clean coal and carbon capture demonstration projects in the world.

According to the Government of Saskatchewan's announcement yesterday, the proposed SaskPower demonstration project is a seven year, \$1.4 billion government-industry partnership that rebuilds and then re-powers a major coal-fired power generation unit at Estevan's Boundary Dam. I am very proud to say one of my first summer jobs was at Boundary Dam in Estevan, Saskatchewan, the sunshine capital of Canada, so I take particular pride in this investment.

In terms of carbon capture, there has been some very exciting work done in this field at the University of Regina. I am encouraged to see our government's commitment to this kind of endeavour for Saskatchewan and for our environment. The new Government of Saskatchewan has asked our federal government for funding of this nature and we are delivering. With this commitment, we see the dawn of an encouraging new era of cooperation between the Government of Canada and the Government of Saskatchewan.

Budget 2008 delivers for our communities in Saskatchewan and across Canada. We are making the gas tax fund a permanent funding measure for our municipalities to allow them to better plan and finance their long term infrastructure needs.

Also, Saskatchewan will receive \$36 million through the community development trust to help vulnerable communities adjust to global economic uncertainty. It will receive \$15 million over two years through the public transit capital trust 2008. Saskatchewan will also receive \$64 million for infrastructure initiatives, \$15 million for labour market training, and \$10 million for the Canadian Light Source synchrotron.

Budget 2008 is also investing in the future of Saskatchewan's agricultural producers. Since 2006 our government has provided \$4.5 billion to farmers. With this funding, we have put in place an improved package of farm income stabilization programs that are responsive, predictable and bankable.

In this budget, our Conservative government is providing funding of \$72 million over two years for farm programs. We have also improved producers' access to \$3.3 billion of cash advances, a move that will help our livestock producers in particular. In addition, Saskatchewan will receive \$4.2 million through the cull breeding swine program to alleviate financial pressures faced by the Canadian hog industry.

This is all very good news for the agricultural producers in my riding, in communities such as Pense, Avonlea, Caron, Rouleau, Wilcox and Mossbank, who are so vital to Saskatchewan's economy.

The good news for Canadians does not stop there.

The Budget

Our Conservative government has introduced new measures in this budget to assist our valued senior citizens. The budget provides for a full exemption of the first \$3,500 of earned income from the guaranteed income supplement, or GIS, calculation for seniors. This is up from a previous maximum exemption of \$500, a significant increase that will make a difference for many seniors.

I am proud to have the military base 15 Wing Moose Jaw in my riding of Palliser. As such, there are many families in Moose Jaw and area who are survivors of war veterans. Budget 2008 will provide \$282 million over this and the next two years to expand the veterans independence program, or VIP, to support those survivors. This is a move that I know will benefit many seniors in my riding.

Further, budget 2008 will continue this Conservative government's commitment to fighting the largely hidden problem of elder abuse. We will direct an additional \$13 million over three years toward this issue.

I would like to congratulate Senator Marjory LeBreton, Secretary of State for Seniors, for ensuring that this important initiative was included in budget 2008. When Senator LeBreton recently visited my riding and with seniors in Regina, elder abuse was a key concern discussed at those meetings.

• (1305)

We are also funding other initiatives to keep our communities safe. In budget 2008 our Conservative government is giving the province of Saskatchewan \$12 million to recruit frontline police officers to protect our citizens. In addition, we are providing over \$60 million for crime prevention and prosecution nationwide. I could go on, but my time is almost up.

It is worth mentioning as well that we are investing in our Canadian Forces, providing stable and predictable new funding to ensure that our CF members—

The Acting Speaker (Mr. Chris Warkentin): Questions and comments, the hon. member for Yukon.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, you are doing an excellent job in the Speaker's chair. It is a new career for you.

The member started out fairly well by saying that he wanted to have a fiscally responsible government, unlike the previous Conservative governments that had such huge deficits. However, that lasted about 30 seconds and then the rest of the 10 minute speech listed spending, spending and spending, mostly in one province. We can imagine what that adds up to.

I suppose that is why John Williamson of the Canadian Taxpayers Federation said:

Under [the Minister of Finance], the size of the federal government has grown by an astounding 14.8 per cent. How is this fiscally conservative or even 'responsible'?... Amazingly, the Conservatives have bested Liberal spending. This is a spend-thrift government.

What is said in this budget is very scary for Canadians: if the GDP were to go down by 1%, next year we would be in deficit. Canadians fought so hard to get out of deficit under Liberal governments that the fact a tiny change in the economy could put us into deficit is very scary. With the problems in the United States economy, what are the chances of a possible 1% decrease in GDP?

This would be coupled with the problems in the manufacturing sector.

It is a very worrying prospect for Canadians, who have already incurred so much pain with deficits, to be so close to that again.

Mr. Dave Batters: Mr. Speaker, certainly I am very happy to see all of the money that the Minister of Finance has dedicated to the province of Saskatchewan. This is great news for our province. Certainly we are deserving of these investments. They are investments in the future of the people of Saskatchewan.

Regarding debt repayment or a possible deficit situation, this budget is prudent. Let us keep in mind, though, that the main goal is to get this country out of debt so that we do not shackle not only our kids but their kids and their kids' kids with the huge debt that exists in this country. This is a very bold move to reduce the debt by an additional \$10.2 billion. We have reduced it by \$37 billion since getting into power. The saving in interest amounts to about \$2 billion per year and will be passed on to ordinary individual Canadians in the form of tax cuts.

Talking about spending, when the member for Wascana delivered one of his budgets in the 38th Parliament, we were up to about \$60 billion in promises. Of course, it is tough to remember which budget we are talking about, whether it is the original one or the one from the NDP—

The Acting Speaker (Mr. Andrew Scheer): Questions and comments, the hon. member for Lac-Saint-Louis.

• (1310)

Mr. Francis Scarpaleggia (Lac-Saint-Louis, Lib.): Mr. Speaker, I have a couple of questions for the hon. member. If I am not mistaken, there is \$250 million in the budget to help the oil and gas industries experiment with carbon capture and sequestration technology. What I would like to know is why the government is paying for that.

The oil and gas industry is one of the wealthiest industries in the world. It is one of the wealthiest industries in Canada. Its profits are projected to soar forevermore. Why are we engaging in this kind of corporate handout, this welfare program for the oil sands industry? That is question number one.

Number two, the hon. member and some of his colleagues have spoken about the urgency of paying down debt. Of course we have to pay down debt, but what rule of thumb did the government use to decide that \$10 billion is enough to pay this year toward the debt and that we have to balance this with other priorities? What rule of thumb did it use? The government could have said that it had to pay down the debt but that it has a \$123 billion municipal infrastructure deficit so maybe it should pay down a bit less debt and put more toward the municipal infrastructure deficit.

How does the government make these decisions?

The Acting Speaker (Mr. Andrew Scheer): There are only 45 seconds left for the hon. member for Palliser.

The Budget

Mr. Dave Batters: First, Mr. Speaker, my friend opposite is a little misinformed on the first question. This is not money for the oil sands or the oil industry. This is \$240 million for Saskatchewan for carbon capture, carbon sequestration and storage.

This is innovative work being done at the University of Regina. This money is going to be matched by the Province of Saskatchewan, and when SaskPower, a crown corporation in Saskatchewan, kicks in money, it is going to be a \$1.4 billion investment.

What is the ultimate benefit going to be? The environment. The environment is going to benefit most from capturing carbon and then using that carbon for enhanced oil recovery.

Regarding the second question on how one makes these decisions, it is done with leadership and prudence. We are just so proud of the Prime Minister and the finance minister. It would pay off—

The Acting Speaker (Mr. Andrew Scheer): Resuming debate. The hon. member for Nanaimo—Alberni.

Mr. James Lunney (Nanaimo—Alberni, CPC): Mr. Speaker, it is a pleasure to enter this debate today, especially on the heels of the hon. member for Palliser and his great, enthusiastic presentation. I want to carry on and make a few comments about budget 2008.

It invests in infrastructure. It invests in people. It invests in knowledge. We want to talk about university research. We want to talk about the benefits for seniors and students. It invests in public transit. It invests in helping Canadians to save with a tax-free savings plan.

There is more money for police officers, some \$400 million to hire 2,500 police officers across this country. This is going to help to establish the safe communities that we campaigned on and that we are trying to see re-established in Canada.

To begin, let me just say this about budget 2008. It is balanced, it is focused, and it is prudent. It builds on decisive, pre-emptive action taken in the fall 2007 and the winter 2008 economic update to lower taxes for people and businesses, to pay down the debt load, and to provide targeted support for troubled industries.

Budget 2008 contains more than 100 new measures, including the tax-free savings plan, a most significant personal savings vehicle. It is a powerful tax-free incentive for Canadians to save.

Unlike our opponents, we are providing decisive leadership. Four months ago in the fall economic update, we provided \$60 billion in tax relief to strengthen our economic fundamentals, including historic reductions to corporate income taxes and a further reduction of the GST to 5%. That of course was a promise by this government when we were elected, to reduce that GST from seven to six and now to five, which we have done.

Budget 2008 prepares Canadians and Canada for the challenges ahead and continues reducing debt and taxes. It focuses government spending and provides additional support for sectors of the economy that are struggling in this period of global uncertainty.

This budget is prudent. It is balanced and responsible. I would like to congratulate the Minister of Finance and the Prime Minister for engineering a budget that is very prudent at a time of economic

challenge, not only for Canada but for our neighbours to the south, the largest economy in the world, and for the entire world, where global economic uncertainty is a reality right now.

Taken together with the provisions of budget 2007 and the fall economic update, this budget positions Canada to do very well in these challenging economic times.

We have already taken action to cut taxes and every Canadian is going to be experiencing that. Here we are on February 28 in this debate today. Tomorrow will be February 29, which does not happen every year. It will be my daughter's birthday so I always remember a leap year as a special year, and happy birthday to my daughter.

As Canadians will be receiving their T4s and their charitable donation receipts and putting together their economic financial information to settle their taxes this year, they are going to find that every Canadian, unless they have had huge increases in their personal income in the past year, are going to be paying less tax. That is because we have already taken action to make sure that we lowered taxes for all Canadians. We lowered taxes for mid-size businesses, small businesses and for corporations alike.

There are some people who have trouble with that and see that as an economic giveaway. This is about protecting Canadian jobs. It is about insulating the Canadian economy. It is about providing protection for Canada as we go into economically challenging times around the world. This is prudent economic action.

We have paid down the debt, and there has been some discussion about that already today. This budget provides for \$10.3 billion in debt repayment. When we have a positive economic situation, we have to deal with the debts that we have accrued from the past, because they saddle us. Debt repayment sucks money out of our economy every year and it is a mortgage on our children's future, so the responsible thing to do, when we have the opportunity, is to pay down that debt.

This government came into power a mere two years ago. We are setting a new record for a minority government every month that we survive here and we are grateful for the support of the members opposite in helping this government continue into the future. We are doing a job to help Canadians so we appreciate that support on this budget and I hope all members will support the budget.

We are doing the responsible thing. We talk about servicing our debt. We still have a debt of about \$450 billion. Servicing that debt costs us about \$37 billion a year, I understand.

The Budget

•(1315)

That is more than the entire budget of the province of British Columbia, which is about \$33 billion. British Columbia just tabled a \$33 billion budget last week. That is more than we pay every year servicing our debt than the province of British Columbia, with four million people, spends on its entire provincial budget. That is a mortgage on our kids.

Paying the debt down is the responsible thing to do. When we pay down the debt, it reduces the share of tax dollars devoted to interest payments. It helps keep interest rates low and stimulates investment. It strengthens our ability to deal with economic shocks. It reduces our foreign indebtedness so taxpayers' dollars do not go overseas. It ensures that our children are not saddled with debt from the excessive spending of past governments. We have to pay that down and we are taking responsible action in doing so.

This budget invests in people and I want to talk first about students because they are the future. Students are the economic drivers and innovators of the future. We want them to be educated. This budget provides \$350 million for a new consolidated Canada student grant program. That is expected to help 245,000 students. This is the grant portion. We are also providing \$123 million over four years to streamline and modernize the Canada student loan program.

The grant program of \$350 million is expected to rise to \$430 million by 2012-13. That is an investment in helping our young people get their education. It will extend the reach of that program to about 100,000 students of low and modest income families. We are investing in the future of our students.

There is also enhanced flexibility for registered education savings plans. We have increased the time limits. They can remain open for 35 years from 25 years.

We are providing \$25 million over two years to establish a new scholarship award for top Canadian and international doctoral students. This is in the name of former Governor General Georges Vanier.

We are providing another \$21 million toward the creation of 20 Canada global excellence research chairs. This is about investing in our future.

Going on with investments in our educational institutions, we are putting another \$80 million a year into Canada's three university research granting councils in support of industrial innovation, health priorities and social economic development in the north.

We are providing \$140 million for Genome Canada to help give Canada a competitive edge in the expanding and exploding knowledge about our own genetic makeup as human beings.

For the automotive industry, that is struggling right now with the tremendous pressure on it, we are providing \$250 million over five years going toward coming up with large scale research and development projects to help in developing innovative, greener and more fuel efficient vehicles. These are strategic investments in challenging times.

We are also investing in communities with traditional industries. For example, \$90 million toward extending the targeted initiative for older workers to 2012 and a further \$1 billion as support for Canada's manufacturing sector over an additional three years of accelerated capital cost allowance to invest in new machinery and equipment. Those are strategic investments.

That is on the heels of an announcement recently of \$1 billion to help communities in transition because of an economic downturn. Forestry communities in British Columbia like Port Alberni, a community of 19,000 people, are undergoing tremendous economic challenges. That \$1 billion will bring about \$127 million to British Columbia to help those communities caught in transition with forestry challenges. There are other measures to help the forestry industry. I am pleased to note that we are providing another \$147 million in the budget for innovation in the forest sector.

This budget is going to help seniors. We already mentioned pension income splitting, but additional measures for seniors are provided in this budget as well.

I would like to take the last minute to comment on something that I do not think anyone else has mentioned yet. It is a small item in the budget on page 167. It is about Canada's biospheres. There are 13 of them across the country. They are UNESCO recognized. They are about man living responsibly with the environment. There are 13 of these institutions, some of them going back to the 1970s when they were first recognized.

Two of them are in my riding in British Columbia and I am pleased to have been one of the members, along with the member for Leeds—Grenville, who encouraged the finance minister to make an investment with the support of the Minister of the Environment. There will be \$2 million going to our biospheres to help our volunteers who are trying to promote responsible interactions between man and the environment.

•(1320)

It is not anti-development, it is about responsible development. It is a model that has been recognized worldwide with about 430 biospheres internationally. It is a model that needs support in Canada so our volunteers can get the message out and encourage responsible development.

Mr. Roger Valley (Kenora, Lib.): Mr. Speaker, my colleague talked at length about tax cuts and I would explain to him that in northern Ontario we need more services. We do not need tax cuts because there are very few job opportunities left.

We know budget 2008 provided some money for retraining. I think I could give him a suggestion. The government should also have provided a moving allowance because it will remove all the workers from northern Ontario where there are no forestry jobs left.

However, I do have a direct question for the member. Could he explain to the House and all the workers in northern Ontario, who do not have jobs, the value of a tax cut to someone who does not have a job?

Mr. James Lunney: Mr. Speaker, the member comes from communities that are facing challenges. I have communities like that in my own riding.

The Budget

In the fall economic update we put a billion dollars out there to help communities. I am sure communities that he represents will also receive part of Ontario's share of that billion dollar fund to help communities in transition.

One industry towns are in trouble, certainly in the forestry sector because of the challenging times and because of booming production in Asia. We have a mill in British Columbia being dismantled and reassembled in Asia.

We know that our communities are struggling, but it is not the role of government to try to restructure every industry. We are trying to help our communities find the solutions that work for them and help people. We are providing more money for retraining, as the member pointed out.

By providing tax breaks, what we are doing, in lowering the corporate tax structures, is providing an opportunity for our businesses to be competitive, to keep a competitive edge. We are also providing incentives through the accelerated capital cost allowance to help industry invest now to stay competitive.

I know his concerns for his communities are very similar to my own. We are doing our best to help those parts of our industry, but I remind him that in spite of the challenges, unemployment is at an all-time low in Canada and employment is at an all-time high. In spite of the challenges that some sectors are having, overall things are going quite well in Canada.

• (1325)

Mr. Dennis Bevington (Western Arctic, NDP): Mr. Speaker, in listening to my hon. colleague's speech, we get more and more the sense that this is a budget for winners and losers. Lowered tax cuts for corporations help corporations that are winners. That does not help the corporations that are losing right now. It does not provide the kind of investment in things that will bring them to a profitable state.

When we talk about the tax-free savings account, for somebody who has maxed out his credit card, which in Canada right now many people have, there is no opportunity for saving, so what we see once again is measures put in place for those who are the winners in the system.

We really have a responsibility in this Parliament to represent all people, to try to find ways in which we can bring equity to what we are doing in the country, to allow the opportunity for those who are less advantaged, whether they are corporations or individuals, to pull themselves up.

The latest budget, I would point out to my hon. colleague, seems to do none of that. How is the government being responsible to people in society? How is it being responsible when it puts forward a budget that so clearly identifies winners and losers?

Mr. James Lunney: Mr. Speaker, I do not know what it is about the NDP, but it always tends to support the workers and always want to support the lower end people. Frankly, the government cannot employ everybody itself. We have to set the environment for businesses to prosper.

That is what we have done in this country. When we talk about lowering corporate taxes from 22%, one of the highest in the G-7, by

a full percentage point now and by 2012 to 15%, we will become one of the lowest corporate tax structures in the G-7, in the entire western world. That creates opportunities.

The government has invested \$33 billion in our building Canada fund to build bridges, roads, tunnels, rail and port infrastructures. It is the kind of infrastructure that builds an economy. Ask the people in Prince Rupert, a town that was struggling with forestry changes.

We have invested a huge amount through the gateway initiative getting rail products in and out through an Asia-Pacific gateway. That has reduced the rail time for delivering goods to the heartland of the United States through that port. It just received its first shipment a short time ago. The new infrastructure allows products to hit the rails once they arrive in Prince Rupert and down into the Chicago area in 92 hours.

That is unbelievably shorter than Los Angeles. That is about creating an economy that helps employ people in Prince Rupert and in rural areas. It is infrastructure that drives an economy. That is what we are trying to provide.

Mr. Tony Martin (Sault Ste. Marie, NDP): Mr. Speaker, I happily share my time today with my colleague, the member for Victoria.

Back on October 17 in front of the Parliament Buildings there was a rally to make poverty history. A number of groups from across the country are fighting diligently every day to try to raise the spectre of this terrible blight on our society. I saw a banner which read, "Poverty is a government policy", testimony to decades of neglect by consecutive Liberal and Conservative governments making other choices than to make poverty history here in Canada.

Then the next day in the House I said we should make fighting poverty a government policy. We in this caucus believe that we need to make fighting poverty year-round work with action, funding and a real plan.

Here in Ottawa, poverty remains government policy and the official opposition refuses to stand up to this agenda and defeat a budget that in fact abandons the poor.

We have spoken in the House before about budgets being visionary documents, setting out priorities for a country and its people. This budget represents more of a nightmare than a vision for the three million people on low incomes and the many more millions who find themselves squeezed and often but a paycheque or two away from joining either the ranks of the poor on social assistance or the 650,000 working poor in this country who work full time all year, often at two or three jobs, and are unable to make ends meet. Is this not crazy?

How can the government be satisfied that there are people who go to work day after day, week after week, all year long, and find that their pay still does not cover the necessities of life, such as food, clothing and shelter? There is nothing for them in this budget.

The Budget

When we look at this budget and its poverty measures, we discover that the budget delivers to individuals earning \$15,000 per year an expected mere \$215 in reduced taxes in 2008-09 and those earning \$150,000 will pay \$3,265 less in taxes.

We hear the government members speak to the budget and their only initiative to respond to any of the challenges that we face as a country is reduced taxes. That is what it does for the less well off, the marginalized and the at-risk in this country.

There is no recognition in this budget of a national poverty reduction strategy. There are no measures to significantly reduce poverty in Canada. There is no strategy. There are no targets. There is no investment in affordable housing or child care. There is no expansion of the working income tax benefit, which does not even help those working full time at minimum wage the way it is right now. There is no expansion of the national child tax benefit. There is no concrete assistance to our first nations communities where poverty is particularly rampant.

Listen to the commentary from those working to make poverty history in our country.

KAÏROS: Canadian Ecumenical Justice Initiatives said, "The 2008 federal budget provides help to those who don't really need it and little help to those who do".

Robert Arnold, president of the National Anti-Poverty Organization, NAPO, stated:

As in 2007, the word 'poverty' in the Canadian context is mentioned once in the budget. Contrast that with dozens and dozens of references to 'tax burden' and 'tax relief'. It is as if the Harper Conservatives believe that poverty is non-existent in this country. They would appear to care more about padding the fortunes of the wealthy than offering immediate and lasting support to the poor.

From Campaign 2000, the national coalition of over 120 partners working to end child and family poverty in Canada, we heard:

The federal budget passed up the chance to offer the almost 800,000 children living in poverty in Canada a shot at a better life.

Ann Decter, national coordinator of Campaign 2000, said:

It's another missed opportunity. There are provinces on the move on poverty reduction. They'll be much more successful when our federal government also steps up to the plate with a comprehensive Poverty Reduction Strategy. The time was right for a bold move.

● (1330)

The Canadian Housing and Renewal Association said that the budget leaves one and a half million Canadians in a housing crisis:

When [the finance minister] stood to deliver the Conservative Government's 2008 budget today he left 1.5 million Canadians in desperate housing need on the outside looking in. These are the families living in housing they can't afford, isn't safe, isn't healthy and is bursting at the seams due to overcrowding. The budget also ignored the desperate plight of 200,000 people experiencing homelessness.

And this is one of the harshest winters in a long, long time. Doug Currie, Prince Edward Island's social services and seniors minister, said:

Finance Minister...budget offers little to Prince Edward Island in terms of funding to support affordable housing, catastrophic drug programs and poverty reduction.

It is not just members of Parliament in this party who are saying this, and as important as they are, the organizations working valiantly to reduce and eliminate poverty, but Canadians from coast to coast to coast are saying this as well.

As an MPP in the Ontario legislature, I remember the days of the so-called common sense revolution and its architects, including the current finance minister and Premier Harris. Anyone disagreeing with their narrow ideology was dismissed as a "special interest". Well, that puts 93% of Canadians at odds with the minister and his budget with respect to poverty reduction.

A *Globe and Mail*/CTV poll asked: How important is it that the federal budget help the poorest Canadians? Fifty-eight per cent of the respondents said it was very important; 35% said it was somewhat important; only 4% said it was not too important; and 2% said it was not at all important. Some 93% of Canadians said it was very important or somewhat important to help our poorest citizens.

I want to recognize that there were but a few good measures in the budget, crumbs unfortunately, when it comes to the challenges facing our country vis-à-vis social inclusion. There is \$110 million for mental health demonstration projects and an exemption to allow seniors who collect the guaranteed income supplement to retain more of their earnings if they are in the workforce.

The NDP has called for a comprehensive national poverty reduction strategy including raising the national child benefit to \$5,000 a year; investing \$1.2 billion in not for profit child care; building 200,000 units of affordable housing over 10 years; increasing the federal minimum wage to \$10 an hour; boosting the working income tax benefit to \$2,400 a year; fixing the employment insurance system so the unemployed get the support they need.

While we present this very comprehensive national strategy, the Liberals today are walking around the House with their fingers in the air trying to figure out which way the wind is blowing. They say that poverty reduction is a priority for their party. They even had a photo op in front of the Parliament buildings at the rally to make poverty history last October, but when they are challenged to stand up and oppose this budget, the leader indicates there is nothing in this budget worth defeating the government on.

I challenge him and the official opposition to tell the three million Canadians on low income, the 93% of Canadians who want help for the poorest Canadians, to stop the Conservative ideology. Liberal politics are failing the poor and a poverty reduction strategy.

We in the NDP caucus are going to stand up and vote against not only this budget, but the whole strategy and agenda of the government, particularly where it affects those who are most at risk and marginalized in this country.

The Budget

• (1335)

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, I thank my hon. colleague for his discussion of the budget. I had the pleasure of visiting his riding with the steel caucus and discussing issues with him.

In my view and in the government's view, the best way to end poverty is through a job. I do not think the member would disagree with that. There are a number of things in our budget, which is entitled "Responsible Leadership", that provide companies with the opportunity to invest, to create jobs and wealth. That is what will best help people out of the evil cycle of poverty in which many are trapped. We are working hard to try to get them out of poverty.

The member did say some good things about our budget which were nice to hear. He talked about aboriginal Canadians. I want to point out that we are dedicating \$70 million over the next few years for a new aboriginal economic development framework. We are dedicating another \$70 million to improve the first nations education outcomes. This government is investing money in aboriginal organizations around this country. Not only will today's generation, but future generations will be helped through the education system. They will be helped to get out of that cycle of poverty.

Does the member support the measures in the budget to help the education system for aboriginals and the economic development that is much needed in our aboriginal communities?

Mr. Tony Martin: Mr. Speaker, I do appreciate the comments of the member. In fact, I do want to recognize that he made the effort to visit Sault Ste. Marie to look at some of the industry there which I think presents a wonderful opportunity for not only my community but the country.

While sitting on the human resources committee, I have heard the Conservatives say many times that the best answer, and I think their only answer, to poverty is a job. I think a job is important and it would help a lot of people if they had one, but what does the member have to say to the 650,000 people who have a job, who are working full time year round, but still live in poverty in this country? Studies have been done in some of our biggest cities. The cost of living has risen and the minimum wage has remained stuck and those 650,000 people still find themselves unable to pay the rent and feed their kids.

He talked about the \$70 million in the budget that is dedicated to helping our first nations in terms of their struggles and challenges in dealing with poverty. It is a mere pittance, a drop in the bucket, particularly when we look at the amount of money that was talked about around the Kelowna accord.

When we consider the fact that the government has now put \$350 million into nuclear development and only has \$70 million for our first nations communities, we begin to understand where the priority lies with the Conservatives.

• (1340)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, it is quite an honour to beat the member for Yukon to the punch on a question. It does not happen very often.

I have a great deal of admiration for the member for Sault Ste. Marie. Aside from his obvious problem of being a New Democrat,

he is actually a pretty good fellow. I understand that in the not too distant past we might be related and that is something to be discussed over a pint of Guinness sometime.

I have a serious question for the member. We are members of the human resources committee. Poverty is an issue that matters to him and it is an issue that matters to me. There are many things that we could do. He has talked about poverty and some of the different organizations that have indicated that once again the poor have gotten pretty scant attention in the government's budget.

The human resources committee is looking at doing a study on poverty. The member is aware of some international and provincial jurisdictions that have actually been able to do some good things on poverty. What can we accomplish in that poverty study whenever we get to it in the HUMA committee?

Mr. Tony Martin: Mr. Speaker, I appreciate the member's question. He is in fact someone who cares about these issues. I say to him that my most fervent wish at this time is that we actually get to that study.

The committee has been studying employability, which is an important issue as well, for quite some time. I am hoping that within the next few weeks we will get to study poverty. Then we can look at jurisdictions in the world where there are national poverty strategies that are working, so that we might see in them something that we might bring back and then together put a strategy in place that will serve Canadians well into the future.

Ms. Denise Savoie (Victoria, NDP): Mr. Speaker, the 2008 budget reveals a lack of vision, and these are not my words. These are the words of Victoria's major daily newspaper editorial the morning after the budget was released. In fact, budget 2008 is just a lot more of the same, with winners and losers, a lot for the Conservatives' corporate friends and crumbs for the rest of us.

There is so much that could have been done to better balance tax cuts with social investments. Here is what we could do.

If the new Liberal-Conservative alliance had not squandered \$14.8 billion to big corporations and big polluters last fall, we could have made significant strategic investments in the social, environment and economic priorities of Canadians.

If we invest just half of the \$10 billion surplus, for example, we could restore a national affordable housing strategy, provide access to quality public child care and early learning for every Canadian family who needs it, retrofit hundreds of thousands of homes and start on the path to become a global environmental leader.

The Budget

We could breath new life into our treasured health care system and get millions of Canadians family doctors, which they lack now. We could drastically reduce wait times. We notice in the budget that the Conservatives have abandoned their commitment to reducing those times. We could vastly improve home care, long term care and support for family caregivers.

We could tackle the real debt crisis in Canada that plagues a million students and graduates by reducing student fees and giving a huge boost to research and teaching capacity of our universities and colleges and create a thriving system of apprenticeship and training.

We could dramatically boost our economic and social well-being with a lifelong learning strategy for everyone, including the 12 million Canadians with literacy needs, making Canada the most literate and learned country in the world.

Our individual and collective well-being is not enhanced with corporate tax cuts. I believe the people of Victoria could not have been more clear in articulating our priorities for the budget, which have been ignored yet again.

For the first time in three years, the word "homelessness" is in the budget. However, it spends \$110 million on demonstration projects in five cities and none in Victoria. Yet Victoria's task force on mental illness, addictions and homelessness has been hailed as the definitive report by homelessness experts across the country.

Our local chamber of commerce and then the national chamber of commerce has strongly advocated for federal action and funding for homelessness in this time of record surpluses. We do not need more studies. We have examined the best practices. We have a blueprint, but Conservatives are big on studies instead of action.

In the budget there is nothing, for example, for building affordable and rental housing. We know the high costs of housing are chasing away young people from our urban areas.

I realize the finance minister thinks that cities do nothing but fix potholes. However, while making permanent the federal gas tax to cities is a hard fought victory, it is an inadequate first step without the acceleration of additional revenue sharing or long term transit funding, for example, called by municipal leaders.

The Conservatives' idea of cost sharing forces cities to raise one-third of the money with only 8% of the revenue. Therefore, now our property taxes are bound to go up while corporate taxes go down.

The only budget item for seniors is getting them to work longer. The GIS exemption is insignificant compared to increasing the amount of GIS on which seniors rely. There is no core funding for struggling Victoria senior groups that have been pleading for more stable funding for years to provide services to seniors.

•(1345)

There is no fix for the government's CPP error. For example, it short-changed the pension of millions of seniors across Canada. There is nothing for long term care, home care or support for caregivers.

I want to talk a bit about heritage. Cities like mine have offered tax breaks for the restoration of heritage buildings. BC Heritage asked for the renewal of the commercial heritage properties incentive fund

to support those efforts and to continue to support the conversion of heritage buildings into affordable rental housing. Its requests were ignored as were many other excellent ideas. Yet the Conservatives and Liberals can find \$14.8 billion by 2012-13 for the big polluting and big gas industries. I cannot accept that.

As the post-secondary education critic, I see nothing in the budget to address soaring student fees or debt. The new Canada student grant program is, I will acknowledge, a step in the right direction, but it is grossly underfunded and filled with gaps that risk leaving many more students even further behind.

Despite the year long campaign to fix the student loan system, the budget does not reduce student loan interest, create a student loan ombudsperson, amend the flawed lifetime limit or create standards for the conduct of private loan collectors to rein them in.

The added support for the indirect cost of university is laughably short of the commonly accepted 40% target. Research for the social sciences and humanities is again disproportionately underfunded. Worse still, Canada's independent research granting councils are now being told what research they must support.

On the environment, I will leave it to *Toronto Star* business and technology columnist Tyler Hamilton, who wrote the following this week:

New subsidies for the coal, oil and nuclear industries and new handouts to major automakers. No mention of climate change. No extension of incentives for renewables. The cancelling of incentives for buying energy efficient vehicles... We're so focused on keeping dinosaurs alive...

I want to issue a word of warning for Canadians listening and for those in the gallery today and challenge every elected representative here. My local daily used the word "humdrum" to describe this year's budget. I caution all Canadians to take a closer look at what appears to be an insipid and meaningless budget. I ask Canadians to see the careful and deliberate pursuit of the corporate ideological agenda that the Liberals began and the Conservatives have accelerated.

It is appalling that the Conservatives are asking Canadians to pay the big oil companies to clean up their own pollution. It is the institutionalization of public-private partnerships without any objective analysis of the value or whether they work in the public interest that is particularly worrisome.

Statements by Members

Canadians may not have seen the \$29 million allocated to pursue the corporate-led security and prosperity partnership, those secret negotiations that are irreversibly tying Canada's regulatory sovereignty to the United States. What little we know about SPP reveals a subversion of the public interest to private profit at the risk of losing control of our water, our resources and our collective ability to protect our own health and safety.

If all members of the House like the road that the Conservatives are taking us down, then they will support the budget. I do not support the Prime Minister's agenda and I cannot support the budget.

• (1350)

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, I will give the member an opportunity to expand on the three themes she talked about, which were health care, heritage and students.

With respect to health care, does the member not think it would have been a good idea to spend part of the \$10 billion surplus on the doctor shortage given that five million Canadians do not have a doctor? I also wanted to give a deduction to medical students so they would not have to pay back their student loans until they went through their residency. They have very little earnings in that period.

In relation to heritage, I am delighted she brought up the commercial property heritage fund, which we would like to put back. Would my colleague not agree with me that the government should rescind the cuts it made to museums, especially small museums in our small communities, and the travelling museum display program?

With respect to students, the program that provided the most student grants to low income students was the millennium scholarship fund. I hope my colleague will join our campaign to have that fund renewed. Will she support us in our campaign to renew the millennium student scholarship fund for low income students?

Ms. Denise Savoie: Mr. Speaker, my colleague raises three important questions and I will start with the last one.

The question of student financial aid is very important. Many students, young people, and I see some of them in the gallery today, are completing their studies and are burdened with debt. That is unacceptable.

I do not think the question should be whether it is the millennium fund or not. The real question should be an increase upfront to have a needs-based grant system in Canada for students at the time they need it, not four years down the road with the patchwork of tax credits that has been created in the past. That is the first part of the answer.

On the issue of health care, which is very important and I am glad he raised it, more than five million Canadians do not have family doctors. The budget did not spend any money on health care to train doctors and nurses, or to reduce wait times guarantees.

• (1355)

Mr. Mike Wallace (Burlington, CPC): Mr. Speaker, the member talked about education. I want to ensure that those who happen to be tuning into this know that we will invest \$80 million to three university granting councils, additional money for research in industrial innovation, health priorities and social-economic development in the north, which we think is important. There will be \$15

million per year in indirect costs for research programs, building on Canada's knowledge, and for people in genomics, with an additional \$140 million for Genome Canada. That is just the small list.

My question is this. Members of the NDP have a long list of things they want to do, but have they it priced out? Does the member have any idea how much it would cost the taxpayer to form that bureaucracy? Does she have any sense of what those additional costs would be?

Ms. Denise Savoie: Mr. Speaker, first, I want to go back to the question of research. There is money allocated to research, but there is a worrisome trend by the government to tie academic research, which should be independent, its own priorities.

In terms of whether any of these things have been costed, with the government's corporate tax cuts of \$14.8 billion to the largest most profitable companies in Canada, we could have built 1.14 million child care spaces and 74,000 hybrid transit buses. With the government's tax cuts for corporate give-aways, we could have 12.1 million units of non-profit affordable housing, annual health services for 10 million patients, undergraduate tuition for 11 million students, forgive student loans for 2.1 million graduates. That is the amount of the corporate tax cuts the Conservatives have given away to the biggest polluters and big financial institutions, which are already highly profitable.

STATEMENTS BY MEMBERS

[English]

MEMBER FOR CALGARY NORTHEAST

Mr. Art Hanger (Calgary Northeast, CPC): Mr. Speaker, last weekend, the riding of Calgary Northeast identified its new Conservative candidate, Mr. Devinder Shory.

As my time in Ottawa draws to a close, I want to thank the many people who have made my time in Parliament so memorable.

Since coming here in 1993 as a Reformer, my goal has been to represent the people of Calgary Northeast with integrity. I came armed with a desire to strengthen criminal justice, protect innocent victims and preserve the traditional values that have made this country great. I thank God for giving me this opportunity.

I spoke plainly and directly, often polarizing those who supported me and those who vehemently disagreed, but that is the way I liked it. There is no greater reward than reaching an outcome after a heated debate. Democracy is stronger for it and so is our country. I am proud to have played a role in that process.

I want to thank my colleagues and dedicated staff for their wise counsel. I also want to thank my constituents for their trust. I also send a heartfelt thanks to my dear wife, Margaret, for her love and support.

Statements by Members

●(1400)

HOUSING

Hon. Gurbax Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, currently, there are 13,000 people in the region of Peel waiting for an affordable place to live.

A resident of Brampton who applies for affordable housing today can expect to be on a waiting list for 21 years before a spot becomes available. The faint possibility of affordable housing in 21 years' time is cold comfort to a single mother with three children who is in danger of being thrown out of her home.

The government seems content to do nothing while thousands of our country's most vulnerable people are forced out into the streets.

Immediate action must be taken to increase the number of affordable housing units available to Canadians in need.

* * *

[Translation]

SUSTAINABLE DEVELOPMENT AWARDS

Mr. Jean-Yves Roy (Haute-Gaspésie—La Mitis—Matane—Matapédia, BQ): Mr. Speaker, recently, the Agence régionale de mise en valeur des forêts privées du Bas-Saint-Laurent announced the winners of the Mérite forestier du Bas-Saint-Laurent, promoting sustainable development in private forestry management.

I want to congratulate the winners in the category "Owners of under 120 hectares": Adélarde Bérubé, from Saint-Octave-de-Mitis won first place; Jean-Paul Morneau, from Rivière-Bleue, won second place; and Yves Detroz, from Trinité-des-Monts, won third place.

In the category "Owners of 120 hectares or more", first place went to Michel Labrie, from Saint-Cyprien; second place to Mario Lagacé, from Saint-Hubert, and third place to Louis-Cyrice Albert, from Saint-Cyprien.

All these producers are passionate, hard-working and versatile people whose hard work is a credit to sustainable development.

On behalf of myself and my colleagues in the Bloc Québécois, I would like to congratulate these foresters who represent Quebec's know-how in the responsible management of natural resources.

* * *

[English]

KWIKWETLEM FIRST NATION

Ms. Dawn Black (New Westminster—Coquitlam, NDP): Mr. Speaker, I am proud to work alongside the Kwikwetlem First Nation.

Kwikwetlem means "red fish up the river" and the band traces its roots back over 9,000 years. The band represents an important part of my community's cultural heritage.

Earlier in the month, I was privileged to attend a community to community forum hosted by band chief, Percy Cunningham, and council. This forum was a historic meeting between the band and municipal, provincial and federal officials, the first such meeting in

over 90 years. I was delighted to participate and I enjoyed the wonderful traditional feast.

The Kwikwetlem First Nation contributes actively to our community. Its vision and hard work saw the return of the sockeye salmon to the Coquitlam River after a near 100 year absence. The band and members of our community worked together last spring to prevent flood damage to Kwikwetlem land.

I look forward to working closely with the band in the future and I am proud to support the hard work it does.

* * *

THE BUDGET

Mr. Larry Miller (Bruce—Grey—Owen Sound, CPC): Mr. Speaker, Tuesday's budget continues on the positive themes of this government. We are providing tax relief for individuals and businesses, as well as paying down the debt.

We already have three generations working to pay off our debt. I want to ensure that my grandchildren are not the fourth.

Tuesday's budget provides excellent opportunities for the people of Ontario. In my riding of Bruce—Grey—Owen Sound alone, the permanent extension of the gas tax will allow communities to make long term investments in important infrastructure needs.

Also, livestock producers, and in particular the pork sector, got the much needed support for which they have been asking.

Constituents are already excited about the opportunities that will come from Canada's new tax-free savings accounts. This will allow all Canadians to watch their savings grow and then reap the fruits of their investments, totally tax free.

I know the people of Ontario, including the good people of Bruce—Grey—Owen Sound, will take full advantage of the opportunities given to them in this budget.

* * *

[Translation]

SAINT-BASILE CULTURAL ASSOCIATION

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, for nearly 24 years, the St-Basile cultural association has been contributing to cultural and community development in the region.

In March 2007, the cultural association proposed staging a theatre performance about an issue that has been in the news: violence against seniors and elder abuse. Sadly, we have been hearing about this far too often lately, and the author of *Les secrets bien gardés*, "Well-kept secrets", wanted to talk about it. I believe that we all have a role to play in ensuring that the seniors of today and tomorrow can grow older in a healthy, peaceful environment among people who care about them and their well-being.

Statements by Members

To guarantee the project's success, Pierrette Powers agreed to get involved and direct the troupe, which is made up of Nicole Picard, Jean-Guy Beaulieu, Marie-Reine Bérubé, Jeannot Castonguay, Chantal Lessard, Ben Beaulieu, Stéphane Bourgoïn, Karine Cyr, Lise LeBrun, Cariane Parisien, Maxime Rioux and Thérèse St-Pierre.

I would like to thank Ms. Powers, the actors, and the Saint-Basile cultural association for their dedication and for their involvement in this project, which is sure to have a significant impact on the community.

* * *

• (1405)

[English]

THE BUDGET

Mr. Dave Batters (Palliser, CPC): Mr. Speaker, our Conservative government's budget delivers for all Canadians.

Our tax-free savings account will allow Canadians to save \$5,000 a year for their own priorities. The money will help SIAST students buy their first car, help a Regina couple afford the wedding they are planning, help a family in Caronport with home renovations, or help a senior in Moose Jaw save more for retirement or a trip to see the grandkids. The best part is that this money will grow outside the grip of the taxman.

With this budget, our government continues its significant investment in Saskatchewan. We are investing \$240 million in a carbon sequestration project and \$10 million in the synchrotron. We are making gas tax funding permanent for municipalities and funding police officer recruitment for our communities. We are investing in our farmers and livestock producers, our students and our seniors.

With this budget, our Conservative government is building a better future for the people of Saskatchewan and for all Canadians.

* * *

[Translation]

OUTAOUAIS BOOK FAIR

Mr. Richard Nadeau (Gatineau, BQ): Mr. Speaker, it is with great pride that I invite everyone to attend the 29th Salon du livre de l'Outaouais, which is being held this year in Gatineau from February 28 to March 2. This year's theme is escapism.

A number of distinguished guests will be in attendance. Quebec novelist Stanley Péan will preside over this year's event. He will be joined by several special guests, including two prominent Outaouais personalities, the poet Claire Boulé and novelist Georges Lafontaine. Carole Tremblay, author of children's literature, and Stéphane Dompierre, author of popular literature, will be present. Anne Robillard, well known author of *The Knights of Emerald* and a master in the art of helping readers escape to another place, will also be at the fair, as will many other distinguished guests.

On behalf of my Bloc Québécois colleagues, I would like to invite everyone to attend the 29th Salon du livre de l'Outaouais.

THE BUDGET

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Mr. Speaker, as Bloc members prepare to vote against the interests of Quebec and Canada, here are five good reasons to reconsider their position and to support our Conservative budget.

First, we have said yes to an independent body to manage the employment insurance fund.

We have \$90 million for the targeted initiative for older workers.

For the manufacturing sector, there is \$1 billion in additional relief for the purchase of machinery and \$440 million for innovation.

For our pork and beef producers, there is \$50 million in assistance and \$3.3 million in advance payments.

And finally, for public transit, there is \$500 million and the carbon exchange gets \$66 million.

Why is the Bloc against this budget? As they themselves said, they cannot allow themselves to vote a third time for the Conservative budget because people will wonder what they are doing in Ottawa.

Never mind, that is already the case.

* * *

[English]

LABOUR MARKET AGREEMENT

Mr. Paul Zed (Saint John, Lib.): Mr. Speaker, tomorrow, Saint John will be hosting the signing of an agreement between the Province of New Brunswick and the Government of Canada. The labour market agreement will be investing over \$68 million of taxpayer money for New Brunswickers. This new money will provide training opportunities for our workers, the disabled and our aboriginal peoples to reach their full potential.

These essential funds will also help Saint John, Rothesay, Quispamsis and all of New Brunswick invest in their highly motivated workforce to meet the challenges of our new and growing energy economy. Renewing the Liberal initiative, first introduced by the Chrétien government in 1996, will bring new opportunities for training to those who need it most.

As with the gas tax, a Liberal program, the forestry sector, the manufacturing sector, public investment in public transit and investing in our students and workers, the only time the government gets it right is when it looks across the aisle. Imitation is the highest form of flattery.

* * *

• (1410)

THE BUDGET

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Mr. Speaker, it is my honour to stand before the House after Canada's Conservative government tabled a balanced, focused and prudent budget earlier this week.

The budget is good news for Saskatchewan. With programs like agri-stability, agri-invest, agri-insurance and agri-recovery, as well as the advance payments program, we are giving our farmers a chance to succeed.

Livestock and pork producers have been under pressure lately and have asked for help. One of their requests was that no government program would damage their trade opportunities. We have stepped forward. Our finance and agriculture ministers have once again put farmers first.

That is why our budget commits an additional \$72 million on programs for our producers. We are spending \$50 million on a sow cull program that will help bring stability to the marketplace. We have committed additional resources to ensure better access to the advance payment plan.

Rural Saskatchewan will certainly benefit from the \$240 million for carbon capture and storage, the clean energy project.

The budget builds a stronger Saskatchewan.

* * *

THE BUDGET

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, the federal budget was a huge insult to many people in my riding of Hamilton Centre. We needed support for our struggling steel industry, assistance to increase the number of family doctors and to shorten wait times, help for seniors, the disabled, new Canadians and others who are too often left behind.

However, as *The Hamilton Spectator* pointed out:

... there was no help available for urban centres where local taxpayers are burdened with mounting costs for infrastructure repairs, replacement and overdue maintenance

John Dolbec, CEO of the Hamilton Chamber of Commerce, was even more scathing when he said:

...we feel there is at this point a crisis in the manufacturing sector, and I don't think there is an acknowledgement of the depth and breadth of that crisis in this budget.

For a government with record surpluses and that has just spent \$10 billion on debt repayment and \$14 billion on corporate tax cuts, this budget is a slap in the face to hard-working Hamiltonians who deserve more support and assistance from their own government.

I say shame on the Conservative government and shame on the Liberals for supporting the government.

* * *

RARE DISEASES

Mr. Don Bell (North Vancouver, Lib.): Mr. Speaker, tomorrow, February 29, is the first International Rare Disease Day and today is CORD's, the Canadian Organization for Rare Diseases, Day of Action on the Hill.

Rare disorders include such conditions as cystic fibrosis, muscular dystrophy, thalassemia, MPS, pulmonary hypertension, Fabry disease and kidney cancer.

Canada is one of the only developed countries in the world that does not have a definition of a rare disorder or an orphan drug policy.

Statements by Members

A Canadian rare disorder policy is urgently needed as accessing medications to treat rare disorders is extremely difficult and there are currently significant systemic barriers for patients and families.

Members of CORD, family members and friends are in Ottawa today to ask Parliament to accept CORD's "Chance for Life" fund and other proposals.

Over 7,000 rare disorders have been identified so far and affect approximately 10% of Canadians.

I have submitted private member's Motion No. 426 to support CORD and Canadians with rare disorders and I ask my colleagues to support it.

* * *

[Translation]

THE BUDGET

Mrs. Carole Lavallée (Saint-Bruno—Saint-Hubert, BQ): Mr. Speaker, the Conservative government's budget reflects the Conservatives' values: more money for the military, nuclear energy and oil companies and next to nothing for humanitarian aid.

The Conservative member for Roberval—Lac-Saint-Jean has said, "In Ottawa, you represent your riding, but also the entire country... Measures must be adopted with a view to benefiting Canada as a whole".

That is why the Conservative members from Quebec did not do anything for Quebec in this budget. A federalist member elected by Quebecers cannot do anything in Ottawa. He is powerless in the face of his party's interests, which come before those of Quebec.

Why did the 11 Conservative members from Quebec do nothing for workers in this budget?

Some hon. members: Because they are powerless.

Ms. Carole Lavallée: Why did they do nothing for seniors?

Some hon. members: Powerless.

Ms. Carole Lavallée: Why did they do nothing for women?

Some hon. members: Powerless.

Ms. Carole Lavallée: Why did they do nothing for the nation of Quebec?

Some hon. members: Powerless.

Ms. Carole Lavallée: Only the Bloc Québécois defends the interests of the nation of Quebec and successfully promotes Quebecers' values.

*Oral Questions**[English]***ABORIGINAL AFFAIRS**

Mr. Lloyd St. Amand (Brant, Lib.): Mr. Speaker, today marks the second anniversary of a situation that has become known as Caledonia. It is a land claim dispute that needs to be resolved as soon as possible. It is affecting homeowners, businesses and is most certainly eroding what had been a harmonious relationship between residents of Six Nations of the Grand River and residents of nearby communities, not just Caledonia.

My riding of Brant has been affected. There have been occupations on sites currently under development in the city of Brantford.

All are frustrated at the slow pace of negotiations. All are disturbed at the lack of reporting from the table. Is progress being made? We do not know.

I am calling on the federal government to do more to accelerate and intensify efforts to achieve a settlement sooner rather than later. Both sides deserve nothing less.

* * *

● (1415)

TACKLING VIOLENT CRIME ACT

Mr. Ed Fast (Abbotsford, CPC): Mr. Speaker, today is a great day for Canadians. Yesterday the Senate finally passed our tackling violent crime act. After delays and stonewalling by Liberal senators, the will of Canadians has triumphed.

Our Conservative government has delivered a tough on crime package that every Canadian can cheer about. The new law changes the way dangerous offenders are sentenced. It forces gun criminals to serve real time in prison. For repeat violent offenders, revolving door justice is over. Those who sexually exploit our children will pay a heavy price.

This law is about respecting victims, protecting our children and holding dangerous criminals accountable for their crimes.

What is more, we have just announced funding for 2,500 more police officers and for significant improvements to our prison system.

I want Canadians to know that our government will not stop fighting to make Canada safer. I know the Liberals and the NDP are not happy, but today Canadians across the country are saying bravo.

ORAL QUESTIONS*[English]***ETHICS**

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, Chuck Cadman was a man of great integrity but now we learn that the Conservative Party tried to bribe him and that the Prime Minister was aware of it. Mr. Cadman could not be bought.

Standing Order 23(1) states:

The offer of any money or other advantage to any Member of this House, for the promoting of any matter whatsoever depending or to be transacted in Parliament, is a high crime and misdemeanour, and tends to the subversion of the Constitution.

What was the Prime Minister thinking?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, as I said earlier, this story was raised with me two and a half years ago. I looked into it. There is absolutely no truth in it.

The officials who were at the meeting have been very clear about what transpired. Chuck Cadman himself, on national television on the day of that historic vote, also indicated that the story is not true, and I wish everybody would accept his word.

[Translation]

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker—

Some hon. members: Oh, oh!

The Speaker: Order, please. The hon. Leader of the Opposition.

Hon. Stéphane Dion: Mr. Speaker, the Prime Minister knew that his emissaries, his agents, people acting under his orders, tried to buy off a dying man. He knew it. It was immoral, unethical and illegal. It was against section 119 of the Criminal Code.

Why did the Prime Minister authorize such immoral and illegal wheelings and dealings? Why did he let that happen?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, these allegations are false and irresponsible.

[English]

I can understand that the leader of the Liberal Party is not going to accept my word for it. I can understand that he is not going to accept what Conservative officials said. I can understand that he is not going to accept the fact there is no evidence, but on national television Chuck Cadman said he discussed nomination meetings with Conservative officials. He said, "That was the only offer on anything that I had from anybody".

We have a deceased colleague who was highly respected here, so the question is, why will the leader of the Liberal Party not accept his word?

Some hon. members: Oh, oh!

● (1420)

The Speaker: Order. Order. The hon. Leader of the Opposition has the floor.

Hon. Stéphane Dion (Leader of the Opposition, Lib.): Mr. Speaker, not only was trying to bribe Chuck Cadman an insult to his honour and his integrity, not only was it morally and ethically wrong, but it was against the law. Again I ask the Prime Minister, what was he thinking?

Some hon. members: Oh, oh!

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

Oral Questions

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I knew Chuck Cadman very well. He was a fine man who had experienced tremendous tragedy in his life and had brought that passion to do something about it into politics. His wife is our candidate in Surrey North.

The Leader of the Opposition would have us believe that Chuck Cadman was offered a bribe, then went on national television to deny it ever happened. This is completely false and completely irresponsible, and I think the Leader of the Opposition should give an apology to the entire Cadman family.

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, in light of the Prime Minister's answers, there is one thing that I think the House needs to have clarification about. Is he saying that the widow of Chuck Cadman is lying? Is he saying that a Conservative candidate is lying?

He needs to make this point clear, because the issue then is why did he not stop the offer in the first place, why did he not treat a dying man with respect, and why did he not control his own desire to win at any price?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, there is one fact in this case that matters more than anything else and that is the word of Chuck Cadman, who on national television on the night of that vote, on May 19, 2005, himself said, "There were no offers".

I hope the Liberals can accept Chuck Cadman's word, because we do.

[Translation]

Mr. Michael Ignatieff (Etobicoke—Lakeshore, Lib.): Mr. Speaker, the problem with the minister's comments is that the widow of a respected member of Parliament denied the Prime Minister's statements. We need to clarify this issue.

Does the Prime Minister realize that by failing to stop his party's agents, he is an accomplice to attempts to corrupt a parliamentarian?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, here is the clarification my colleague is seeking: Mr. Cadman himself said on national network television that there had been no offer. End of story.

* * *

SECURITIES INDUSTRY

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in the budget, the government stated that it plans to create a Canada-wide securities commission, which is something that falls under the jurisdiction of Quebec and the provinces. But in the budget speech, the Minister of Finance said, and I quote, "We have been... keeping our eye on core federal responsibilities".

Could the Prime Minister explain to us how he plans on creating a securities commission while still respecting Quebec's areas of jurisdiction, which he claims is one of his priorities?

•(1425)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the Minister of Finance has been clear on this issue for several years now. The reality is that we are examining this issue, in cooperation with our partners from the provinces.

It is the Bloc Québécois that proposes a contradiction. The Bloc is saying that the federal government cannot regulate exchanges, but it wants us to move a carbon exchange to Montreal. That is a contradiction.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, they cannot move a carbon exchange to Montreal because one does not exist. There would have to be one in order to move it. That is the first thing. The second thing is that we are asking him to set fixed reduction targets. That is what we are asking for. We will take care of the exchange.

All parties in Quebec have spoken out against a single securities commission. So why create one, unless it is to centralize the financial sector in Toronto? Is that not the reason?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, the reality is that the Montreal and Toronto stock exchanges are merging.

Once again, the Bloc is contradicting itself. It is saying that the federal government cannot create a national exchange, but at the same time, it wants a national exchange to be set up in Montreal. The constant presence of a separatist party in Ottawa is a contradiction in itself.

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TAX TRANSFERS

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, all three parties in the National Assembly are denouncing the fact that the Conservative government has the nerve to claim that the fiscal imbalance has been resolved. The proof is that in his budget, the minister does not have any provisions for improving transfers for post-secondary education and social programs to bring them to 1995 levels, indexed to the cost of living.

What is the minister waiting for to increase this transfer to the indexed levels, to allow Quebec and the provinces to face the endlessly growing financial pressures on training and education?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I want to correct the record. Of course the budget measures we have brought in stand on a foundation established in the previous two budgets and, starting on April 1, \$800 million more a year will go to the provinces' universities and colleges for support of post-secondary education.

It is true that we have eliminated the Canada Millennium Scholarship Foundation. I think the Bloc should be happy about that. This means that we will extend student financial assistance to 245,000 low income and middle income Canadians across Canada, up from 100,000 people under the CMSF. That is terrific news.

Oral Questions

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the minister has rehearsed his answer quite well, but he answered the wrong question.

What the Bloc Québécois is asking for is the same thing the education network and the three parties in the National Assembly are asking for, and that is transfers for post-secondary education. In light of the rise of emerging economies, needs in training are even more pressing if we are to remain competitive.

How can the minister be so irresponsible and mortgage the future by refusing to reinvest in post-secondary education transfers simply to bring them to 1995 indexed levels?

If the Minister of Human Resources and Social Development does not know what that means, could the Minister of Finance respond?

[English]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, I have to argue. It is the member who is not listening very well. On April 1 we will be increasing transfers to the provinces by \$800 million a year, indexed each and every year over the next five years. That is terrific news for the people of Quebec and the people of Canada. We owe the finance minister a great debt of thanks.

* * *

INTERNATIONAL TRADE

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, Canada is a trading nation, and rules that are balanced and respected for trade are very important to the global climate, but we have had an unbalanced North American Free Trade Agreement for years now, which has benefited the large and powerful corporations far more than ordinary Canadians.

Now we have leading candidates in the Democratic primaries, Barack Obama and Hillary Clinton, who are saying that NAFTA should be renegotiated. I hope the Prime Minister would agree with me that this is an opportunity for Canada to put to the forefront reforms to the environmental and labour aspects of these trade agreements that could benefit working families.

• (1430)

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, I have learned to take with a grain of salt what opposition politicians say about trade agreements during election campaigns. We all know about the Liberal promise to rip up NAFTA some 15 years ago.

This government has been clear. We view NAFTA as a very positive agreement for all three of the countries, for Canada and the United States in particular, under which we have had tremendous growth in trade and tremendous growth in opportunity. Of course, if any American government ever chose to make the mistake of opening it, we would have some things we would want to talk about as well.

Hon. Jack Layton (Toronto—Danforth, NDP): Mr. Speaker, we can agree that the Liberals did promise to fix NAFTA. They broke that promise, but that does not mean we should turn our backs on the

opportunities to bring labour and environmental standards into that agreement. They are fundamentally important.

However, for too long we have been importing pollution and exporting jobs under this agreement. We put our resources, like energy and bulk water, at risk and when it comes to pay and wages, they have been frozen or they have fallen for most Canadians.

Why will the Prime Minister not take the lead here, exercise some sovereignty and bring about change to the agreement that will be good for workers?

Right Hon. Stephen Harper (Prime Minister, CPC): Mr. Speaker, under this government and under our trade arrangements, real disposable incomes of Canadians are up. Employment is up. That is a trend we want to keep going.

As I said, I think NAFTA is a solid agreement for both of our countries. I would caution about jumping to a conclusion about what a future president may do. If a future president actually did want to open up NAFTA, which I highly doubt, then Canada would obviously have some things we would want to discuss as well.

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ETHICS

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, Chuck Cadman was a respected parliamentarian and a man of integrity. We now learn that two mystery men went to Mr. Cadman's Parliament Hill office and offered him a bribe.

The Prime Minister has confirmed that these men were representing the Conservative Party when they offered this bribe. Would the Prime Minister now tell Canadians who his two emissaries were and are they Privy Counsellors?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, the one and central fact of this case that matters is in fact the word of Chuck Cadman himself, who on May 19, the night of this vote, said, "There were no offers".

Hon. Karen Redman (Kitchener Centre, Lib.): Mr. Speaker, Dona Cadman has said that Chuck told her about this bribe himself. The Conservative Party operatives offered a dying man a \$1 million life insurance policy in exchange for his vote. The insurance policy was only one of a list of things they were willing to offer. Obviously, these men were in positions of power.

Why did the Prime Minister send these two people to offer a bribe to a dying man?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, it is simply not true.

I know that does not stop my colleague from saying it, but what is true is in fact the word of Chuck Cadman on this matter, who again said on May 19, on the *Mike Duffy Live* national television show, "There were no offers".

Liberals may not like it, but it is in fact the truth.

Oral Questions

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the Prime Minister of the phony accountability act refuses to come clean about the Conservative envoys who tried to bribe Chuck Cadman.

Will the Prime Minister confirm here in the House of Commons that the two men who tried to bribe Chuck Cadman with a \$1 million life insurance policy were Tom Flanagan and Doug Finley, his current campaign manager? Or, is the Prime Minister saying that Mr. Cadman's widow is a liar?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I wish my colleague from Beauséjour would not call Chuck Cadman a liar, which is what he is doing. He ought to take his word. Chuck Cadman himself said on national television that "There were no offers". I hope my colleague accepts his word because we do and so do Canadians.

[Translation]

Hon. Dominic LeBlanc (Beauséjour, Lib.): Mr. Speaker, the Prime Minister admitted it himself: he knew that Conservative representatives would try to break the law, but he did nothing to stop them.

By doing nothing, the Prime Minister may have turned a blind eye to an illegal act. The Prime Minister should have put a stop to this unethical behaviour, but, in fact, it was Chuck Cadman who put a stop to it.

Why is the Prime Minister not telling the whole truth about this? Is he trying to protect his two lieutenants?

• (1435)

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, that is absolutely wrong. What my colleague is saying does not reflect the facts.

[English]

Canadians are getting tired of these false scandals, false smears, and false attacks on people, without any evidence, day in and day out.

The Liberals have done this against Dimitri Soudas, against cabinet ministers and against myself. They have done it over and over again without any evidence whatsoever.

What matters here is the truth. The person who knows the truth and spoke the truth on the record was our former colleague, Chuck Cadman, who said that no deal was offered. The Liberals should accept his word and accept the truth.

* * *

[Translation]

CULTURAL POLICIES

Mrs. Maria Mourani (Ahuntsic, BQ): Mr. Speaker, the Minister of Finance has managed to eliminate culture from his budget—not only the word, but also the financial resources, by not including any provisions for museum policy, film or television, and this has been

denounced by the Union des écrivains and the Association des producteurs de films et de télévision du Québec

Why is it that with a budget of \$240 billion, the minister was unable to find \$398 million to re-establish the museum assistance program or the public diplomacy program or the feature film or television funds?

[English]

Hon. Jim Abbott (Parliamentary Secretary for Canadian Heritage, CPC): Mr. Speaker, I find that the member's question is all over the map. I am not really clear exactly what it is that she is asking.

I can tell her that if she takes a look at the finances of this government, takes a look at the entire picture, she will see many tens and hundreds of millions of dollars directed to her concerns, the concerns that she has just raised in this House.

* * *

[Translation]

STATUS OF WOMEN

Ms. Nicole Demers (Laval, BQ): Mr. Speaker, the 450-page budget document has only six lines pertaining to women and these do not reflect their demands. La Fédération des femmes du Québec has even called it irresponsible. The minister has talked about an action plan, but the solutions have already been identified; they just need to be implemented.

Can the Minister of Finance tell us why he could not find \$11 million to reinstate the court challenges program, restore the original criteria for the Women's Program, and re-open the regional offices of Status of Women Canada?

Mrs. Sylvie Boucher (Parliamentary Secretary to the Prime Minister and for Status of Women, CPC): Mr. Speaker, our record on this side of the House is very good with regard to women's issues. The same will never be said of the Bloc. Our government is providing \$20 million annually to projects that directly impact women and young girls—a record for Status of Women Canada. The Bloc has done nothing.

* * *

INTERNATIONAL TRADE

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, regarding the NAFTA file, both candidates for the Democratic nomination have taken a position that poses a serious threat to our access to our primary export market. Since 2005, the Bloc Québécois has been urging the government to enter into discussions with the European Union in order to diversify our markets. The Quebec government fully agrees.

What is the government waiting for to begin serious discussions with the European Union in order to conclude a free trade agreement?

*Oral Questions**[English]*

Hon. David Emerson (Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, I am pleased to remind the hon. member that this government entered into the first free trade agreement in the last six years with the European Free Trade Association.

We have been carrying on discussions with the European Union with an eye to a deeper trade arrangement with the European Union at the first leaders level at the Canada-European Union summit. We are pushing a Canada-EU free trade agreement and that will continue to be our position. We are working closely, diplomatically and in other ways.

[Translation]

Mr. Serge Cardin (Sherbrooke, BQ): Mr. Speaker, when the time comes to talk free trade with Colombia, the government goes full speed ahead, even though no one here wants such an agreement. However, when the time came to talk to the European Union in Davos, the minister had but a few words to say between the dessert and the cheese course.

What is preventing the government from entering into serious negotiations with Europe, as called for by the Quebec government?

• (1440)

[English]

Hon. David Emerson (Minister of International Trade and Minister for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, if the hon. member would speak to Premier Charest and to my counterpart in Quebec, he would know that we are working very closely with the Quebec government.

We are working closely with leaders in industry. We are working closely with other provinces. We are working closely with nation states within the European Union with the express purpose of furthering a Canada-EU trade agreement.

* * *

ETHICS

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, as an esteemed representative of the people of Surrey, Chuck Cadman was a man of integrity. But despite its accountability act, this government clearly has no integrity of its own. Mr. Cadman was clear that he would make his decisions based on the will of the people of Surrey.

Why do the Conservatives have so little respect for the people of Surrey that they would bribe their MP? How can this government continue to condone such behaviour?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Liberals continue to change stories that just do not exist.

What happened on May 19 is a matter of public record. Tom Flanagan wrote about it. He went with Doug Finley, met with Chuck Cadman, and gave indications of a willingness to assist him in a nomination were he a Conservative candidate. No other offer was made.

Does anyone know who confirmed that? Chuck Cadman said on national television that, yes, he was made an offer about assistance with a nomination and no other offers were made.

It is simple. It is clear. It is in his words. It is on the public record in Tom Flanagan's books and it is in open statements by Doug Finley and Tom Flanagan.

There is no mystery—

The Speaker: The hon. member for Newton—North Delta.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, I have already had many calls about this today. It is disgusting for the government to suggest that the constituents of Surrey can be bought, let alone Mr. Cadman. When two shady operatives of the Conservative Party offered a bribe to him, they were showing their disrespect to the entire community.

Why did the Prime Minister do nothing to stop this shameful act? What has he done since then?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I am sure that when the hon. member ran for his nomination for the Liberal Party, he was actually offered assistance by his party, too. I do not know if the individuals who did were shady characters or not from the Liberal Party, but I really do not think that is any form of a bribe. I think that is normally what parties do and there is nothing improper about it.

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, allegations that shadowy Conservative operatives offered a bribe to Chuck Cadman in exchange for his vote in 2005 go far beyond the boundaries of acceptable partisan activity. It is outrageous, an insult to the integrity of the political process, and shows the depths to which the government is willing to sink to seize power.

My question is for the Prime Minister. Why does he show such little respect for the people of British Columbia, why did he not stop his operatives from offering a bribe to Chuck Cadman, and why has he remained silent for three years, two years as Prime Minister of this country?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the insult is to the integrity of Chuck Cadman, who stated, when he was alive, on the very day that we are talking about that no such offer was made.

The insult to the integrity of our Parliament is that Liberals do not respect that and continue to ask these questions in the House. The insult, which they will suffer the consequences for, is if they would make those allegations of bribes outside the House.

What I am not surprised about is that the member for Newmarket—Aurora is not asking these questions.

Mr. Todd Russell (Labrador, Lib.): Mr. Speaker, this is a Prime Minister that uses the word “accountability” but clearly does not understand what it means.

Chuck Cadman was a man of integrity. Those who were privileged to have known him and served alongside of him are disgusted to hear of the shameful actions of that Conservative Party and now people who are associated with that government.

Oral Questions

Will the Prime Minister apologize to the House of Commons, and apologize for this outrageous and illegal political behaviour?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, I would simply ask that the members opposite accept the word of Chuck Cadman. They claim to respect him. They claim he was a man of integrity. If they really believed their own words, they would also believe the words of Chuck Cadman when he said no offer was made.

* * *

● (1445)

MANUFACTURING INDUSTRY

Mr. Rick Dykstra (St. Catharines, CPC): Mr. Speaker, with economic difficulties in global markets and a slowing U.S. economy, some Canadians who work in our industries, especially in manufacturing, are being affected.

In response, the government created the community development trust. It will create opportunities for workers in segments of the economy facing difficulties and help vulnerable communities to refocus their economy and create new jobs. Budget 2008 further addresses manufacturers' concerns.

Can the Parliamentary Secretary to the Minister of Industry confirm and elaborate on what we have in the 2008 budget for our manufacturing industry?

Mr. Colin Carrie (Parliamentary Secretary to the Minister of Industry, CPC): Mr. Speaker, I would like to thank the member for St. Catharines for all of his hard work in the manufacturing sector.

In fact, budget 2008 does contain more assistance for manufacturers, and the workers and communities that depend on them. We provided over \$9 billion in tax relief to manufacturers, so they could invest and innovate. We have extended the targeted initiative for older workers.

We are investing to support innovation in the automotive sector. As well, our government was ahead of the curve with pre-emptive actions in budget 2007 and the fall economic update that is injecting \$21 billion in stimulus into the Canadian economy as a result of our tax relief measures.

* * *

ETHICS

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, Chuck Cadman was one of the most decent and honourable members of Parliament I have ever known. I like him even better now that I know when emissaries of the Conservative Party tried to encourage him to change his vote, he threw the bums out of his office and he sent them packing.

When the Liberals tried to bribe Gurmant Grewal, the Conservatives howled with derision. In the absence of any tape recordings this time around, we have the widow of Chuck Cadman, the candidate in that riding, with one story and the Prime Minister with another.

Will the government please clarify the situation?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, my colleague asked for clarity. There is no better clarity than Chuck Cadman's words themselves, when he said on national television, on May 19, 2005, "There were no offers".

Chuck Cadman was a decent man, a great parliamentarian, a good friend. His word ought to be trusted. We always trusted his word. I wish the Liberals and the NDP would trust him today, just as they did back then.

Mr. Pat Martin (Winnipeg Centre, NDP): Mr. Speaker, we have to recognize how serious this is. Trying to bribe members of Parliament to change their votes is a high crime and misdemeanour on the same scale of severity as treason. It undermines the integrity of the democratic process. It is a subversion of the Constitution.

We have a glaring contradiction here. We have the widow of Chuck Cadman saying that such an inducement was offered. We have the Prime Minister denying that there was any such offer.

My suggestion is this. Will the Prime Minister agree to contact Dona Cadman immediately and then bring back to the House the clear story? Was there an inducement or not?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, my colleague, as I have said, does not have to take my word for it, or that of the Prime Minister or the House leader. He has to take Chuck Cadman's word for it. Chuck Cadman himself said that no offer was made.

Chuck Cadman was a good man. He was known for his integrity. He spoke the truth on this. No offer was taken. I wish my colleagues would show him the respect he is due and recognize that he told the truth on this matter. No offer was made, and that is the end of the story.

[Translation]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, Chuck Cadman was a man whose integrity was beyond reproach. Sadly, the same cannot be said of this government.

Some hon. members: Oh, oh!

Ms. Raymonde Folco: Obviously, the Conservatives are not in the mood to listen.

Unfortunately, there are many examples of this government's lack of integrity. We have evidence that Jim Hart, who was a Canadian Conservative Reform Alliance Party member of Parliament, was offered large sums of money to give up his seat to the Minister of Public Safety.

This is the government that gave us the Federal Accountability Act, so why is it refusing to comply with its own legislation?

*Oral Questions**[English]*

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, the Liberal Party has been in serious trouble for the past little while. It has not just been a matter of leadership. It has not just been a lack of policy. It has been a lack of scandals.

Every scandal those members chase does not exist. The one about Chuck Cadman, his own words say that it does not exist. The one about the Minister of the Environment, the police say that it does not exist. The one they are talking about now with Jim Hart is the exact same thing. The police say that it does not exist. I could go on and on.

That is a very sad party that lacks no policy, no leadership, no issues. Those members should get back to work and figure out what they do before they come to work.

• (1450)

[Translation]

Ms. Raymonde Folco (Laval—Les Îles, Lib.): Mr. Speaker, I am surprised to hear such things, seeing as Mr. Cadman's legislative assistant confirmed that everything Mr. Cadman's widow said was true. What are they trying to accomplish by saying things like that?

There are plenty more examples of suspicious activity. A former member of Parliament for the Prime Minister's riding, Ezra Levant, also received a lot of money to give up his seat to the Prime Minister himself. This government does not hesitate to flout election laws, and it could not care less about respect. Words fail me—

The Speaker: The hon. Leader of the Government in the House of Commons.

[English]

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, divine intervention in favour of the truth, I suppose.

The reality is once again the member is misstating. The assistant to Mr. Cadman has issued a statement that is quite clear. He was not in the office during any such meeting. Obviously what the member is stating and what has been reported is again untrue. That is consistent with everything we hear on each one of these issues.

The Liberals will not talk about the budget that they support or are against. They are moving a non-confidence motion even though they want it to pass. Nothing reigns on that side except for confusion.

The thing that makes them most angry of all is the fact that this is a clean government with a strong economy, with a balanced budget that is doing—

The Speaker: The hon. member for London West.

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, we are now aware of the disturbing and unseemly pattern of behaviour on the part of people deeply involved with the government.

The Conservatives promised Alan Riddell \$50,000 to step aside for a candidate favoured by the Prime Minister. The Prime Minister claimed there was no deal, gee, we have heard that before, but a judge ruled the deal did exist and ordered the Conservatives to pay up.

Why does the government feel it can buy anyone who gets in its way?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, again, we have one after another of imaginary scandals. They are all imaginary because they are about Conservatives. The fact is, this is a clean government.

This is a government that brought in the toughest Federal Accountability Act, with measures that put to an end the kind of practices we used to see, whether it be the sponsorship scandal, deep in the trough patronage, the kind of unfortunate politics of the old era.

In 2006 the page was turned. Canada has a new government that does what it says it will do, delivers credible, capable appointments, respects the law and simply does not spend time dwelling on scandals.

Hon. Sue Barnes (London West, Lib.): Mr. Speaker, the member doth protest too much.

The Conservatives still have not learned their lesson. If someone stands in their way, they try and buy them off. We also have the Conservatives involved in allegations of tempting a municipal candidate with a federal job here in Ottawa.

Does the Prime Minister approve of offering inducements, or is he still trying to distance himself from every new revelation of Conservative wrongdoing?

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, this shows how bad the Liberals are when it comes to scandal mongering. They raise the issues and they tell the police to go chase them down. The police investigate and say, "Guess what? This government is clean and its ministers are clean". What do they do? They accuse the police of being involved in cover-ups. Come on and get with it. We do not control the OPP.

We have a clean government. Their scandals usually relate to appointments that are not made, contracts that are not delivered, political interference that never happened. It is nothing, just like their policies, just like their leadership.

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*[Translation]***SOCIAL HOUSING**

Mr. Christian Ouellet (Brome—Missisquoi, BQ): Mr. Speaker, the minority Conservative government has once again shown its contempt for the many people who so urgently need decent and affordable housing. Organizations such as FRAPRU and Logemen'occupe have denounced the Conservatives' insensitivity toward the poorest people in our society.

Oral Questions

Why does the government refuse to put some part of CMHC's nearly \$7 billion surplus toward the construction and renovation of social and affordable housing? Why?

• (1455)

[*English*]

Hon. Monte Solberg (Minister of Human Resources and Social Development, CPC): Mr. Speaker, the government is investing in the homelessness partnering strategy to prevent homelessness whenever possible and to ensure people get a roof over their head when they are found homeless. We invest in affordable housing more today than any government has to ensure that tens of thousands of Canadians have a roof over their heads. We invest in training.

The Canadian Mental Health Commission was given \$110 million for pilot projects, including in Montreal. As the chair of that commission said, “this will enable Canada to lead the world in providing services to people living with mental illness who are homeless”.

* * *

[*Translation*]

AIR TRANSPORTATION

Ms. Caroline St-Hilaire (Longueuil—Pierre-Boucher, BQ): Mr. Speaker, parents in my riding told me the incredible story of their 15-year-old daughter, who, without their consent, bought a one-way plane ticket to Morocco to go and meet a 24-year-old man. This same girl checked in at the airport without a problem and was able to reach her destination unimpeded.

Is the minister aware of this gaping hole in the regulations and, if so, what does he plan to do to correct this situation?

Hon. Rob Nicholson (Minister of Justice and Attorney General of Canada, CPC): Mr. Speaker, I want to thank the hon. member for her question. I am glad to see the Bloc taking an interest in justice issues.

[*English*]

It is about time the Bloc focused on some of the justice issues that are before the House.

I am pleased to say that we are going to get the tackling violent crime act, which will protect 14 and 15 year olds from adult sexual predators. I wish we had more support all the way through from the Bloc Québécois.

* * *

ETHICS

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, the widow of Chuck Cadman says clearly and unequivocally that an illicit offer was indeed made. “They wanted him to vote against the government, and if he died, I'd get the million dollars”, Dona said.

The book about Mr. Cadman also quotes none other than the Prime Minister mentioning “the offer to Chuck”. Therefore, an offer was made. However, the Standing Orders of the House say that any offer of money or advantage is a high crime and misdemeanour.

Why did the Prime Minister authorize any offer to be made?

Mr. James Moore (Parliamentary Secretary to the Minister of Public Works and Government Services and for the Pacific Gateway and the Vancouver-Whistler Olympics, CPC): Mr. Speaker, the member for Wascana is factually wrong. It seems the Liberals know no depths as to how far they will go to try to smear people, without any evidence, without any backing whatsoever.

He should listen to Chuck Cadman's words himself. Chuck Cadman said, “no offer was made”. It did not happen.

Has the member no shame? Chuck Cadman said “no offer was made”.

* * *

[*Translation*]

MUNICIPALITIES

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, our government understands that maintaining our infrastructure in good condition is essential to maintaining the vitality of our communities.

[*English*]

Unfortunately, the previous Liberal government did not get it. Ignoring the concerns of municipalities, the Liberals slashed transfers to the provinces, which resulted in negative effects on our cities, towns and villages across the country.

Could the Minister of Transport, Infrastructure and Communities tell the House the government's plans to help communities across the country become strong and competitive through the gas tax?

Hon. Lawrence Cannon (Minister of Transport, Infrastructure and Communities, CPC): Mr. Speaker, the Minister of Finance has indicated, for the first time in history, long term funding. It is now available for communities across the country. The municipalities are the big winners in the budget.

I must remind the members of the House that my hon. colleague from Port Moody—Westwood—Port Coquitlam brought these measures forward and insisted that the cities be recognized. The previous government was dragged into that. We fixed the problem.

* * *

THE BUDGET

Ms. Chris Charlton (Hamilton Mountain, NDP): Mr. Speaker, I cannot believe that the Liberals are supporting this weak budget. It continues to give billions of dollars in corporate tax giveaways to the big banks and big polluters, without investing a dime in social programs for income security for seniors. It simply tells seniors to get a job. Instead of increasing the OAS and GIS so no senior has to live in poverty, the budget told the poorest seniors that they could now work and earn up to \$3,500 before their GIS would be clawed back.

Business of the House

Why is the coalition of Conservatives and Liberals sending seniors to the food banks, while they are sending their corporate friends to the government trough?

• (1500)

Hon. Jim Flaherty (Minister of Finance, CPC): Mr. Speaker, seniors asked during the prebudget consultations for an increase in the GIS, the guaranteed income supplement. We did that in the budget announced on Tuesday. Seniors as well will benefit from the new tax-free savings account. It will protect interest earned in tax-free savings accounts. They will be tax free.

I encourage people to look at the website, www.budget.gc.ca, and they could do the calculations of the tax savings. It is a terrific opportunity for people to do their calculations for themselves.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, the Conservative agenda, supported by the Liberals, is making the wrong choices for the automotive industry. The budget is cutting overall automotive spending by 14% per year, and will be a \$40 million cut after five years alone.

There is nothing in the budget for parts suppliers nor for tool, die and mould making. There is no plan on auto policy. There is nothing for trade to open up markets.

Why has the government abandoned the automotive workers of Ontario and misled the public? Will the Minister of Finance explain why he is cutting funding to the automotive industry when workers, employers and the communities supported by the auto industry have demanded intervention?

Hon. Jim Flaherty (Minister of Finance, CPC): It is apparent, Mr. Speaker, the hon. member did not listen to the budget.

There are \$250 million for a green technologies auto innovation fund. There is already a commitment of \$400 million for the access road for Windsor-Detroit. There are \$34 million for research. More than that, there are more than \$1 billion in tax relief for the automotive sector, which is coming into play this year, 2008.

That is a healthy total benefit package for the automotive industry of in excess of \$1.6 billion.

ROYAL ASSENT

[English]

The Speaker: Order, please. I have the honour to inform the House that a communication has been received as follows:

Government House
Ottawa

February 28th, 2008

Mr. Speaker:

I have the honour to inform you that the Honourable Michaëlle Jean, Governor General of Canada, will proceed to the Senate Chamber today, the 28th day of February, 2008, at 3:30 p.m. for the purpose of giving royal assent to certain bills of law.

Yours sincerely,

Sheila-Marie Cook
The Secretary to the Governor General

Mr. Don Bell (North Vancouver, Lib.): Mr. Speaker, I rise on a point of order. In recognition of tomorrow, February 29, being the

first International Rare Disease Day and the efforts today by members of the Canadian Organization for Rare Disorders to inform members of Parliament about the problems facing Canadians with rare diseases, I would like to ask for unanimous consent to adopt Motion No. 426 which stands in my name on the order paper. It deals with adopting a Canadian definition for rare disorders and examining the feasibility of a national "Chance for Life" fund to be designated for therapies for rare disorders.

The Speaker: Is there unanimous consent to proceed with the adoption of Motion No. 426?

Some hon. members: Agreed.

Some hon. members: No.

* * *

BUSINESS OF THE HOUSE

Hon. Ralph Goodale (Wascana, Lib.): Mr. Speaker, I have several questions continuing from question period, but I will resist the temptation. There is a lot of grist for that mill and we will follow it very carefully.

With respect to House business, I wonder if the government House leader could indicate what his intentions are for the period of time that remains between now and the Easter adjournment which comes at the middle of March, bearing in mind that part of that time is occupied by the budget debate, part of it will probably be occupied by some resumption of the discussion about Afghanistan, and he has to, in that period, work in seven opposition days in the space of time that is only twelve days.

I wonder if the government House leader would specify which days in the next very few he intends to designate for all these various purposes.

• (1505)

Hon. Peter Van Loan (Leader of the Government in the House of Commons and Minister for Democratic Reform, CPC): Mr. Speaker, it pleases me to stand here today and say that this afternoon the tackling violent crime act will be signed into law. The bill is literally the result of years of hard work by the government to make our streets and communities safer by getting tough on crime. I hope that all members of the House will show their support for the bill by attending the royal assent ceremony today at 3:30 p.m. in the Senate.

In keeping with this week's theme of sound fiscal and economic management, the House is debating the third balanced budget introduced by this government.

[Translation]

We are asking the House to adopt the Budget 2008, which is a focused, balanced and prudent budget that is responsible and rooted in reality. It builds on decisive pre-emptive action taken in the 2007 Fall Economic Update to lower taxes for people and businesses, pay down debt and provide targeted support to troubled industries.

[English]

Members of the House will continue to debate and then vote on budget actions to help troubled industries by extending the accelerated capital cost allowance for new manufacturing equipment, establishing a \$250 million automotive innovation fund to help automakers meet the challenges for the future and extending support for older workers.

Members of Parliament are being asked to approve a powerful new incentive for Canadians to save for their priorities, a tax-free savings account, which is the most significant personal finance innovation since the introduction of RRSPs.

[Translation]

Budget 2008 also invests in key priorities of Canadians by providing funds for more frontline police officers, the reduction of greenhouse gas emissions, and improving the safety systems for food, consumer and health products.

Yesterday, we started debate on Budget 2008. Today, we continue debate, with the first vote tonight on the Bloc Québécois sub-amendment.

[English]

Next week we will build on last week's theme. It will be confidence in the Conservative government week.

On Monday we will continue with the debate on budget 2008. That evening we will vote on the amendment put forward by the Liberal Party, which seeks to express non-confidence in the government.

Tuesday will be the last day of debate, with a vote on the main budget motion that evening, also a confidence motion.

Finally, tomorrow as well as next Wednesday, Thursday and Friday will be opposition days, all of which will potentially be confidence motions.

We are optimistic that after all these confidence votes, this House of Commons will have confirmed the soundness of next week's theme, confidence in the Conservative government.

Ms. Libby Davies (Vancouver East, NDP): Mr. Speaker, the House leader is obviously very interested in the upcoming confidence motions, but I would like to ask him how he plans to meet the deadline that he himself set in terms of the continuation of the debate on Afghanistan, and the timing he would set for a vote on that.

As we know, we had debate on Afghanistan, a very important issue before this Parliament, on Monday and Tuesday. Given the tight timeline with the opposition days coming up and the estimates to be voted on, the deadline that he set was to have this debate done and a vote on it, I believe, before the end of March.

I would like to ask the government House leader how he will meet the deadline that he set on this important issue.

Hon. Peter Van Loan: Mr. Speaker, we are of course all aware of the constraints of time in the calendar. If the hon. member is interested in our scheduling additional evenings for debate, we are happy to consider and discuss that, but it is the intention of this

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government to have a vote on the extension of the Afghanistan military mission, which is supported of course by the government and the official opposition, sometime in the month of March.

GOVERNMENT ORDERS

• (1510)

[English]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I am pleased to have an opportunity to speak on the budget. I will be splitting my time with the hon. member for Cape Breton—Canso in the hope that one day he will split a dinner bill with me, but I live in hope.

There are a number of things I would like to talk about today on the budget. My colleagues and other members have spoken about a number of important issues. I want to talk about four things: the impact in my province of Nova Scotia; post-secondary education; literacy; and poverty, in particular women and children in poverty.

I do not believe that the government understands Atlantic Canada. I do not believe that the government addresses Atlantic Canada very much. I do not think the government particularly cares for Atlantic Canada. We saw that a year ago when last year's budget torched the Atlantic accord.

The immediate reaction of Atlantic Canada, and I would generally agree, is that this is a pretty non-event budget.

The Nova Scotia minister of finance, a Conservative, said his initial reaction was disappointment that there was not more in the way of direct funding for infrastructure projects, especially for the province's universities. He said that it is likely revenues flowing from Ottawa to the province, from equalization and the Canada health and social transfer will be flat, creating a "huge pressure" on his spring budget.

This is a headline in today's *The ChronicleHerald*: "\$21 million less expected from Ottawa. Premier: Federal budget lowers the projected offshore windfall".

We lost the Atlantic accord. The premier of Nova Scotia, Rodney MacDonald, scrambled around to try to save face and cut a deal with the federal government and now we find, as a result of this budget, that \$21 million less is going to Nova Scotia. It is not a very attractive start. There is not much in the budget for Nova Scotia.

I certainly have talked about post-secondary education in this House on a number of occasions. On many of those occasions I have talked about the millennium scholarship foundation. We have asked questions in this House about the government's plan on the millennium scholarship foundation.

Government Orders

The millennium scholarship foundation was set up some years ago by the Liberal government. It has kicked out a lot of money for students, almost exclusively students in need. This year, for example, the amount was \$350 million for students in need.

In this budget, not surprisingly, considering what we saw with the summer jobs program last year, the government got rid of the millennium scholarship foundation and replaced it with its own needs based granting system. It is the government's right to do what it wants, but the reason the government used, the direct quote from the budget was that the millennium scholarship foundation was an intrusion into provincial affairs.

Yet the millennium scholarship foundation worked with every province and territory, unlike the student loans program, including Quebec, where its office was based. It worked with every province and territory to provide grants for students. Every province and territory wanted the millennium scholarship foundation renewed. They wanted it replenished, because of the fact that it was working for students, but the government has chosen to take that \$350 million and put it into a student grant system. There is no more money for students. It has changed the programs and has decided to put that money into a new system through HRSDC.

I would like to read a comment from the Educational Policy Institute, which is a very good think tank on post-secondary issues. It has some issues with this, not the least of which is, why would the government kill a program that was working and then create a new system when there already was a platform for one that worked?

The institute also has concerns that the new granting system will apply to more students, but not based on need as much. It suggests this will be good news for students from middle income families but bad news for low income families who will now be receiving less aid because the average grant amount is going to go down.

To have a granting system targeted at those most in need, one would think the money should go to those most in need. Middle income families all have pressures; there is no question about that. But if the purpose of the program is to assist students most in need, why would the government give it to more students but less to those who need the money the most and reduce the amount at a time of increasing tuitions? I do not think it is a very sensible proposition.

We have been asking about student loans. The minister has been telling us not to worry, that there is all kinds of good news about student loans, that a review is being done on the student loans program and there is going to be some great stuff. It turns out not to have been quite so great. There are some initiatives in there that should help students who have student loans navigate the system, which has been outdated, and I think we would all agree with that.

• (1515)

However, the biggest issue with student loans is the rate of interest charged. One of the champions of that issue in the last number of months, and perhaps even years, has been a group called the Coalition for Student Loan Fairness. I want to report what coalition members had to say about the budget. They gave it a D. The reason they gave the budget a D was that there is no reduction in the rate for students.

Right now we charge students over 8% for their student loans. The cost of government borrowing is probably about half that, if that. So why, at a time when we had the opportunity to review the program, to make it better, would we not reduce the rate? That is the big burden that students are bearing.

There is no promise to create anything like an ombudsman or commissioner of student loan fairness, somebody who could actually help students navigate the problems they have with the system.

However, there are some improvements in the student loan program, or at least we think there are, because it is very difficult to tell with the government, which cobbles together little bits and pieces and chunks of money from here and there. Some of it may be new, some of it old, some may be borrowed and some may be blue. We never know. We cannot tell when we first see what is coming out of the government. With student loans, it is the same problem.

The Coalition for Student Loan Fairness gave the government a big fat D on what it did. The coalition had big hopes that there might be something significant for students in the budget, but it did not come.

On research and innovation, there was again some money for the granting councils and CIHR, but CIHR needs hundreds of millions of dollars to maintain the momentum that came out of the incredible investments of the Liberal government of six, seven or eight years ago for the granting councils, for NSERC, SSHRC, CFI and CIHR. Alan Bernstein has now left CIHR. That is another great scientist that Canada has lost.

On SSHRC, the social sciences and humanities funding body, there is so much to say. We had a breakfast this morning on the Hill that highlighted the work and research done by the social sciences and humanities. An increase of \$12 million a year is simply not enough for an organization like that.

Other nations in the world, the OECD nations, the European nations and even the emerging nations of China and India, are starting to put a lot of money into research. If one travels Canada, and I recommend all MPs should, one can talk to some of the researchers. The brain drain is not an issue like it was 10 years ago, but if we take the foot off the accelerator on research, we are going to lose an awful lot of those researchers. We simply cannot do that.

What I really want to talk about is what bothers me most, not specifically just with this budget but as a small continuation of what we have seen, and that is the issue of poverty. Much was made of the fact that because it is tough times the Minister of Finance went to have his shoes re-soled instead of buying new shoes. I think he should ask for a refund because there is absolutely no "soul" in this budget. It offers nothing for those who need the very most.

The National Anti-Poverty Organization, which has the Canada Without Poverty campaign, said:

The budget shows that individuals earning \$15,000 per year can expect \$215 in reduced taxes in 2008-09, while those earning \$150,000 will pay \$3,265 less in taxes.

It stated:

Government Orders

—the budget is virtually silent in helping to address poverty in Canada. There is zero, for example, for affordable housing and for child care spaces, two of the most pressing needs of low- to middle-income families.

The Canadian Association of Social Workers said:

After so many years of scrimping, eliminating the deficit, and paying off debt, the time has come to give back to Canadians. This latest Conservative budget fails to do so.

Pamela Cross, director of advocacy and public policy with YWCA Canada, said:

This budget continues to help those who need it least. The Tax-Free Savings Account—

The much vaunted tax-free savings account, I might add.

—introduced in the budget will be of little interest to most of Canada's women who earn just 60 cents for every dollar earned by men and who do not have \$5,000 burning a hole in their pockets to put into a savings account. Most of us are much more interested in social programs such as housing and child care.

On employment insurance, the government talks about creating a separate arm's length commission. I am sure that my colleague from Cape Breton—Canso will talk to that, but there is not a mention about the workers on the whole page of the budget that talks about the new commission.

• (1520)

This is not a budget that moves Canada forward. At best we stand still while other nations rush past.

This budget, though, is not the turning point. It is obviously not the reason to have an election. The turning point was the election of the government in January 2006. Since then we have seen a government with a record surplus turn its back on the vulnerable, mismanage the economy with initiatives that generally help the fortunate, and bring us to a point where we face a faltering economy with a government incompetent to manage that crisis and uncaring for those who will be hurt the most. Canadians deserve better.

The budget treads water, enshrines inequity and cements unfairness. It is not the time for an election, I agree with that, but that time is coming, and when it does I will campaign to make things better for those in need and against this budget.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Andrew Scheer): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed certain bills.

* * *

THE BUDGET**FINANCIAL STATEMENT OF MINISTER OF FINANCE**

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

Mr. David Christopherson (Hamilton Centre, NDP): Mr. Speaker, I appreciated the remarks of the hon. member. Under different circumstances, I probably would be supportive of them, but I have to say this for many of us on the real opposition benches. To have the official opposition members stand up and give speeches criticizing and condemning the inadequacies of this budget knowing

full well that their caucus is going to let this go by, whether two or three of them vote against it, whether they all march out again, as Canadians have seen them do, whether they sit down and do not do anything, or whether they just do not come into the House, whatever mechanism they use, the reality is that on the budget the hon. member is criticizing he knows that his leader has said they will allow it to pass.

I have a simple question. Does the member not feel that he has absolutely no credibility in terms of being an opposition member in this place when he is not prepared to put his seat on the line for the values he says he cares about?

Mr. Michael Savage: Mr. Speaker, I think the people who have the least credibility in this House are the people who yammer from a corner of the House against everything that comes forward. They have all the answers. They do not have to answer to anyone.

What that member should do is go out on the streets of Hamilton. He would probably find the same thing that I find in Dartmouth—Cole Harbour. Nobody has called my office saying: “Mike, please, I want an election. I haven't had one for so long. I've got to have an election. I need a fix”. Nobody wants an election.

We will have an election. That time is coming. When that time comes we will bring our plans to the people of Canada and the people of Dartmouth—Cole Harbour, but the NDP will be irrelevant in that discussion, as they are in this House. The time will come for an election and it is coming pretty quickly.

Hon. Larry Bagnell (Yukon, Lib.): Mr. Speaker, the member's speech was excellent. He is well known in the House of Commons as the champion of students. I would like to ask him two questions concerning students.

First, the millennium scholarship was the biggest scholarship in history for low income students. More students were helped through this scholarship than at any time in history. I wonder why the Conservatives and the NDP will not support reinstating it now that the funds have run out. Also, does the budget have money for medical students in their residency period when they have very little income?

Finally, I would like to thank the member for raising the issue of women and poverty. In the north we had a remarkable study released a couple of months ago, which explained how many women are homeless and how they have lower incomes than anyone else, as he mentioned. In the north when the temperature is -40° they actually have to go into a house, so they may be in danger of a sexual attack or there may be other dangers. Was there anything in the budget for these women?

Mr. Michael Savage: Mr. Speaker, the millennium scholarship foundation was a very good program for Canadian students. It worked very well with the provinces. The Canada student loan program does not even exist in Quebec and the territories. The millennium scholarship worked with the provinces.

• (1525)

Mr. David Christopherson: You're voting to kill it.

Government Orders

Mr. Michael Savage: Instead of the member for Hamilton Centre yelling “shut up” and every other kind of ignorant thing across the House, he should listen to some of this because he could learn a few things.

The millennium scholarship worked with the provinces. The provinces wanted it renewed. It worked for students. It was killed because it was a Liberal initiative. I do not think I am telling tales out of school here. It worked and it was a Liberal initiative, and that made it zero for two in the government's books. That is a shame.

We should have a provision for medical students, those who have a long, extended period of time in university and are actually paying back loans before they are making medical salaries that allow them to pay those bills more efficiently. That is a good program. We should do that. I wish we had done it, but we did not do it. The government should do it.

On the millennium scholarships, it is too bad. We should give our thanks for a job well done to Mr. Norman Riddell and the people who worked on the millennium scholarship. It is too bad that this government is throwing it aside and trying to create a whole new bureaucracy, wasting all kinds of money in creating a new bureaucracy, but that is democracy.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, I am pleased to enter into this debate. It is always difficult to follow the member for Dartmouth—Cole Harbour, who is generally recognized as one of the most informed and hardest-working members of this Parliament, as well as one of the truly great orators to pass the curtains in a number of years. I can see the overwhelming sigh of indifference from the chairman of the human resources committee.

There are a couple of things I want to focus on in my budget presentation. The first one is the lack of prudence. On the bigger scale, on the broader vision of this budget, when we look at it from 37,000 feet, obviously the lack of prudence in this budget is something that is stark and something that I think Canadians are going to become weary of as we go forward and the economy gets tighter.

In past Liberal budgets when we served on the side of the government, after slaying the deficit budget after budget, one of the first things to go in during the budget preparation process was \$3 billion in prudence. It was essential to have that in. Before the surplus and before anything else, \$3 billion annually in prudence went in.

If one thinks back to the years when we were on the government benches, there were some catastrophic events that took place during that time, i.e., 9/11, SARS, avian flu and mad cow. There was a very tough run. Each of those events really served as unexpected economic impacts, as economic shocks to our fiscal framework. Fortunately, we were there with prudence built into the budget, \$3 billion worth, that allowed the government to take appropriate action, make investments where necessary and help Canadians where necessary. That is what is lacking in this budget.

We know that this year \$2.2 billion will be the surplus. We know that next year \$1.3 billion will be the surplus. Then it goes into the hundreds of millions after that. Those are probably realistic numbers,

but that is if things go as planned. If one of those unexpected economic impacts or shocks comes up, then that is when the fiscal framework is truly tested. As a nation we are one bad news day away from going back into deficit.

We on this side of the House do not support that. We were the ones who took on the challenge to fix the economic well-being of this nation. There was a \$48 billion deficit when we took over in 1993 and, with the cooperation of Canadians, we made those difficult decisions and tough choices. There were 45,000 employees who went home in 1995. That was no fun. Canadians worked so hard to make sure that they fixed the deficit situation that I do not think there is any appetite on their part to go back in. This budget certainly puts us very close to that edge.

I want to talk about some of what is in the budget and what people are saying. Some people commenting are certainly not Liberal-minded at all. One comment is from Don Martin of the CanWest News Service. He said:

It's a budget that borrows kinder and gentler ideas—the homeless, infrastructure and the auto sector packages are clear Liberal lifts....

That was from Don Martin, who is certainly not a big fan of the Liberal Party of Canada.

Bob Fife, the Ottawa bureau chief for CTV News, said:

He's stolen the Liberal idea on help for the auto sector. He's stolen the Liberal idea on job creation through infrastructure. And he's stolen the Liberal idea of making the gas tax for municipalities permanent.

With the crime bill just passing the Senate, the finance minister could get five to seven years of hard time for the theft that went on Tuesday during the budget presentation in stealing the Liberal initiatives.

● (1530)

I will tell this House what is tough and where things get a little rancorous. We all know the devil is in the detail and when programs are removed, modified or created, that is where the problems come in.

My friend and colleague spoke eloquently about finalizing the millennium scholarship fund. The government says that it is putting in \$350 million for the new student grant program. All it is doing is re-profiling the money that was there for the millennium scholarship fund. There are very few new dollars. It was announced on Tuesday and already some of the best and brightest in this country are saying that it is just not enough.

Alex Usher, the director of education for the Educational Policy Institute of Canada, is saying that the bottom line is that the program needs \$1 billion. The budget is only two days old and it is \$650 million short already.

Government Orders

The government sort of slid in the ecoAuto rebate program, which is one that it cancelled. That program was in the last budget. We know that was a disaster. Since it was first announced, \$160 million had no impact at all. It was a program that arbitrarily picked winners and losers. It gave an unfair advantage to some people in the auto sector and hurt many auto manufacturers in this country. A competitive disadvantage was inherent in this disastrous program and the government cancelled it. There is always concern when we hear that the government is altering programs. The devil is in the detail.

The one thing that frightens me the most is moving the EI program to the Canada employment insurance financing board. Red flags are going up all across the country. The government says that it is all about setting premiums. The one thing we know about the government is that it is not a big fan of the employment insurance program.

I served as chairman for the all party committee that put together recommendations on this program and only one party offered a dissenting report, the current government. It said at the time that it just wanted an in-out insurance program with no other benefits. It is saying that it will not play with the benefits but I do not have a great deal of confidence in that statement.

When we were in government, we brought the premium rates down. The contributions by employees and employers were brought down from the 1993 level. It was at \$3 per \$100 in 1993 and in the budget by Kim Campbell it would have gone up to \$3.35. When we left government, the amount was down to \$1.84. We brought it down each and every subsequent budget after taking power.

It is well within the purview of the government to set that rate. To help employees and employers, it should bring those premiums down.

I, however, am very concerned about the disrespect the government has for the EI program in general. I represent people who live and work in rural ridings in seasonal industries. They are not seasonal workers but they work in seasonal industries. If this is to be operated as a straight insurance policy, we will be losing workers from rural Canada. We will be losing workers in industries like the fishery, forestry and mining. The loss will be felt in any of those seasonal activities. The red flags are up on this.

• (1535)

We need to ensure that we keep the government's feet to the fire on the EI program because it is essential for communities outside the cities to know that the benefits will be there for workers when they need it. However, we know that it is not big on the agenda across the hall.

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, my colleague mentioned the eco-Auto program of \$114 million. This was a feebate program that was brought in with the help of the Liberal bureaucracy in the past. For those who are not familiar with it, the program allowed Canadian money to go to Japan, South Korea and to other places in the world because we shoved money outside of our country as we rebated this program. The program had no impact whatsoever on the auto market at all. All the studies that came in showed the exact opposite.

However, what is truly amazing about this budget is that the Conservatives closed that window for the automotive sector. We told them not to start this program like that and that it was fine to get rid of it and we would support that, but they started a new fund for the auto program that is deficient. It is less money.

During a time right now when there are executives, union leaders and communities demanding some type of official program that is accountable and transparent to win over projects going to the deep south, to Mexico, South Korea and to China, we actually are cutting funding by \$40 million over five years.

I do not think the Minister of Finance has read his own budget or does not understand it because there will be less money going to the automotive industry when this budget passes than what it had in the past.

Why would my colleague support that? His provincial members have been crying out against the government asking it to do what the member for LaSalle—Émard would never do, which is an issue in itself, but the provincial McGuinty Liberals have been basically in a public embroiled battle with the minister. There are insults, name calling and innuendo back and forth to do something. This is sending a terrible message to industry investors.

Why is my colleague not supporting his provincial colleagues who are making this call that there needs to be action on this? Why is he supporting this budget? On that alone, we are losing opportunities. I would like to see the member stand and support defeating this budget to ensure that Canadian jobs will be protected.

Mr. Rodger Cuzner: Mr. Speaker, first I will give the member a little geography lesson. It is the provincial Liberals in Ontario who are calling for that and, being a Nova Scotian member, it is not as loud from the provincial Tories.

I have one other correction for my colleague from Windsor West. He said that the past eco-Auto rebate program had no impact on the industry. I would challenge that. I think it had an impact and it was a bad impact. It disadvantaged some manufacturers in this country. It had an impact on workers and closed plants. It was ill-conceived. I do not know where the member gets the idea that we supported that. We thought it was a bad program. We even pushed for years, while we were in government, to try to come up with something like that but it was so poorly laid out that it actually hurt the industry and it hurt workers in that industry.

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, to listen to the NDP one would think there were mass rallies happening across Canada, filling town squares and church halls demanding that there be an election right now.

Has my colleague had a lot of calls in his area saying that there must be an election? Maybe he needs to get a bigger constituency office to handle all the protests of people coming in to ask that we have an election right now. How big an issue is it in his riding?

The Speaker: Order, please. I am afraid the hon. member for Cape Breton—Canso will have to wait. He is not going to be chiselled of his time but he is going to have to wait. We have a messenger.

*The Budget***ROYAL ASSENT**

● (1550)

[Translation]

A message was delivered by the Usher of the Black Rod as follows:

Mr. Speaker, it is the desire of Her Excellency the Governor General that all hon. members attend her immediately in the Senate chamber.

Accordingly the Speaker with the House went up to the Senate chamber.

And being returned:

The Speaker: I have the honour to inform the House that when the House went up to the Senate chamber, Her Excellency the Governor General was pleased to give, in Her Majesty's name, royal assent to the following bills:

Bill C-8, An Act to amend the Canada Transportation Act (railway transportation)—Chapter 5.

Bill C-2, An Act to amend the Criminal Code and to make consequential amendments to other Acts—Chapter 6.

Bill C-44, An Act to amend the Agricultural Marketing Programs Act—Chapter 7.

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 and of the amendment to the amendment.

The Speaker: Before we were interrupted by the message, the hon. member for Cape Breton—Canso had the floor to respond to a question or comment made by the hon. member for Dartmouth—Cole Harbour and he has a minute or so to respond to our colleague.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): Mr. Speaker, during the course of my presentation, it was interesting to note the heckling that was coming out of the cerebral cortex of the House, the aisle of sanctimony down in the corner, and the wisdom of the member from Hamilton Centre making meowing sounds and catcalls.

However, I thought it would have been more appropriate if he had made a barking sound like a dog because the NDP represent the proverbial dog chasing the bus. Those members could not drive it if they caught it, and Canadians know that.

NDP members can make those accusations and those unparliamentary gestures—

Mr. David Christopherson: Meow.

Mr. Rodger Cuzner: There you go boys. We have elevated the debate.

The Speaker: Resuming debate. The hon. member for Tobique—Mactaquac.

[Translation]

Mr. Mike Allen (Tobique—Mactaquac, CPC): Mr. Speaker, I will be sharing my time with my colleague from Sarnia—Lambton.

[English]

I first want to thank and acknowledge the Minister of Finance and my colleagues for creating such a prudent and responsible budget during these unsettled times. This budget is mature and forward-thinking and it reflects our desire to not only promote saving for the future at home but also a more countrywide view. Never before did “a penny saved is a penny earned” mean so much to the people of this great country.

[Translation]

I am proud to be part of a government that keeps its promises, that takes sensible, proactive initiatives for Canadians, and that makes responsible use of taxpayers' money. During this period of economic uncertainty, taxpayers are trusting in us to keep our country successful.

In the short time I have, I will focus my comments on the impact that budget 2008 will have on the day-to-day lives of the people of Tobique—Mactaquac and New Brunswick.

We are supporting families and seniors with the tax cuts we made last fall. I know we are on the right track, because people have told me so.

[English]

As a lifelong New Brunswicker, I know how important forestry, agriculture, transportation and international trade are to our province. Industries are important to our continued prosperity. Our way of life depends more on just the top down, heavy tax methods of the past. Our very livelihood needs solutions to questions before they become problems.

As a result of innovations like the permanent gas tax transfer and hundreds of millions of dollars in funding to stimulate R and D and innovation, I am pleased to support our government's third budget as it addresses the issues close to us.

From Woodstock to Keswick, Douglas to Grand Falls, Plaster Rock to Napadogan, everywhere in between the riding, this new investment in forestry is very welcome. It is one of the biggest employers in the province of New Brunswick, representing over \$1.3 billion to the GDP of the province. Forestry needs to remain competitive so as to ensure our working families can afford the things they need.

By investing \$127.5 million in the forest industry, a long term competitiveness initiative, the government is working toward ensuring that New Brunswick will be prosperous and visible in the forestry sector, ensuring job stability for many years to come. We are facing many challenges in the forest industry right now and these types of investments innovate our way out of these issues.

Yet another \$10 million will go to marketing forestry outside of the country. I am confident that when foreign buyers see the quality and product diversity that New Brunswick has to offer, we will enjoy all the positive aspects that come with new markets.

The Budget

Some time ago I had an opportunity to talk to one of the mill owners in my riding. He echoed the problem with softwood lumber and the challenges in the U.S. market. He said that six months ago he would never have imagined exploring a market in Europe.

● (1555)

As he spoke to me, he talked about how Europe was now a new market and how six months previous to that, he would not have thought that would even have been possible.

In addition, the extension to the accelerated capital cost allowance for three additional years is a very important investment for the forest industry to get caught up from the past number of years.

In a recent appearance at the Standing Committee on Natural Resources, Avrim Lazar, president and CEO of the Forest Products Association of Canada, stated that Canada can compete, but that “we actually have to do it”.

After budget 2008 was released, FPAC issued a release stating that the accelerated capital cost allowance was a step in the right direction and that a bright spot in the budget was the millions in support for marketing Canadian forestry abroad.

I believe that these Conservative budget commitments will perfectly complement the tax cuts that Canada has enjoyed since we formed government in early 2006. The Conservative government is also adding an impressive \$25 million to assist forest-based communities make the best decisions on how they can use their land to the greatest potential. This is on top of the previously announced \$1 billion for the community development trust that will help single-industry Canadian communities turn around their fortunes.

There are a number of those in my riding who are actually undertaking these, and from this money that is being advanced to the province of New Brunswick under the trust, I am very hopeful that some of these small communities like Juniper will benefit from the province taking active action in their communities.

This is how a strong government provides support for Canada, by offering funding and programs instead of merely throwing dollars to the wind and hoping that problems will solve themselves. We are rebuilding the very foundation on which the industry stands. As I said, we cannot continue being a commodity business. We have to innovate. We must innovate to survive.

This morning, in one of the commentaries that came out of the natural resources committee by Ian de la Roche, the president and CEO of FPInnovations, he made a number of statements about the forest sector, very much along the lines of Mr. Lazar's comments. He said, “There has been limited sector investment. They have minimal receptor capacity to undertake new innovations and they need to foster innovation. It is time for that industry to take hold of things and get going forward on the innovation”.

Currently in 2008, as we face our challenges from an environment standpoint, nuclear energy will become necessary and a standard for an environmentally focused world.

I am happy we are providing \$300 million in funding to advance and develop safe maintenance in nuclear technology such as the ACR reactor. Nuclear power holds tremendous potential for the

province of New Brunswick and I am excited to see the potential for this new Canadian homegrown technology come to life in my province.

We all understand going forward that New Brunswick is a major power provider to the New England states and the northeastern U.S. through its strong link and interconnection capability, as it is situated in a strategic location between Quebec, P.E.I. and Nova Scotia.

There are many advantages going forward to see how the development of this could possibly play in the future. I am looking forward to seeing New Brunswick Power go forward, as it does its capability assessment, along with the province of New Brunswick and realize tremendous economic opportunities.

New Brunswick is a province that desires to grow and prosper. My riding of Tobique—Mactaquac borders the United States and this frequently means travel and commerce between the two countries. Our budget provides \$14 million to expand upon the NEXUS program which allows low-risk frequent travellers across the border quickly and efficiently.

We are also looking at investing in a new 10 year passport. We run six or seven passport clinics in my riding and one of the common questions that came back from people was why we could not get this secure, why we could not get to a 10 year passport like other countries? It was really comforting to see that in this budget. We are actually going to be investing to go forward with those kinds of initiatives.

My constituency also happens to depend on immigration to grow its workforce, and I speak of agriculture and the temporary foreign worker program, which is very important. I also speak of trucking, which is a major industry in my riding. In fact, Carleton County probably has one of the highest per capita trucking industries in Canada.

● (1600)

These companies are growing and with the absence of rail, whether it be agriculture, forestry or any other product produced in my riding, if it goes anywhere, it goes by truck. These companies are hard pressed to find the workers they need.

The investment that we are taking to streamline the immigration process will help that and I am hopeful the Minister of Citizenship and Immigration will move forward on some other initiatives to streamline this in the future, but also to look at how families can be integrated into communities.

There is a major organic farm in my riding by the name of Jolly Farmer Products. It has actually used a lot of temporary foreign workers and that is a key element of its success factor. Our initiative to help embassies in other countries to streamline the immigration process will also help that.

The Budget

A couple of years ago I had an opportunity to talk to a potato producer in my riding. Agriculture is very important. There are some 300 potato producers in my riding. It is a struggle this year, there is no question about it. I was speaking to one a couple of years ago with regard to the harvest. I had an opportunity to spend a few days there during the harvest on some of the machinery. What was really interesting was the number of temporary foreign workers because of the shortage of labour but also the number of seniors that were actually working on the farm. This is by necessity.

Generations pass their farms down to their sons and daughters and now these seniors want to return to work. The challenge with this is that farmers are really impressed with the quality of work done by the seniors. They move pallets in potato sheds. They say they are not the kind of people operating machinery that will drop the pallet from five and six feet and damage the produce. The challenge is that seniors do not want to work on the farm because for every dollar they are making, they have their GIS clawed back.

The initiative in this budget that talks about the increase in the exemption for the guaranteed income supplement is going to be key because it provides an extra \$3,000, which will basically help seniors earn money through the harvest season and not have to worry about a clawback. That is a very positive development. In the fall it was very evident by watching the harvesters and the number of people who were actually working.

Tobique—Mactaquac is a riding rich with tradition and resources. It consists of modest people with humble backgrounds, who just want a chance to raise a family in a province they love. Therefore, I am proud that we are providing money for the targeted initiative for older workers to allow them this transition, an opportunity, and we hope to keep many of them at home.

On the other end of the spectrum, we are also looking at students and the contribution to post-secondary education. We allocated \$350 million for the new consolidated student grant program.

After this session of Parliament ends and the history books are written, I know our government is going to be viewed by children today as one that addressed the challenges, continued our convictions and represented our values.

Hon. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I listened to the member for Tobique—Mactaquac quite closely and was wondering what he would say about his riding. I know because I get lots of calls from farmers in his riding—

•(1605)

Hon. Vic Toews: Really? Why don't you give us the names?

Hon. Wayne Easter: The President of the Treasury Board wants me to name them. If there was time, I certainly would.

I can understand why he did not mention anything about the agricultural portfolio in the budget because there was absolutely nothing there.

Hon. Gerry Ritz: It was a separate bill, Bill C-44.

Hon. Wayne Easter: The minister talks about Bill C-44. Liberals first recommended it a week before. The only way he could get Bill C-44 passed was by asking for unanimous consent to get it through

the House. It went through the House, but the thing about Bill C-44 was that—

Some hon. members: Oh, oh!

The Acting Speaker (Mr. Andrew Scheer): Order. I would ask hon. members to allow the hon. member to finish his question. If other members have something else to say or make a comment, they can do so afterwards.

The hon. member for Malpeque.

Hon. Wayne Easter: Mr. Speaker, the thing with Bill C-44 was that it was needed because the minister's announcement of December 19 would not flow the money like the parliamentary secretary and the minister said it would.

The money was not getting out there. All that was in the budget, with the assistance of Bill C-44, was more loans for beef and hog producers. One cannot borrow oneself out of debt.

I ask the member, first, why he did not stand up for his producers against this voiceless Minister of Agriculture and try to get real money out there for farmers?

Second, what about the PVYn that the member promised money to producers as far back as four years ago? Have they received that money yet?

Mr. Mike Allen: Mr. Speaker, I had a feeling the member for Malpeque was going to get up and that is why I held back a little on agriculture. I knew he would give me an opportunity and I knew he would wade right in. It is interesting because the government has given \$4.5 billion in additional money.

I was at a meeting today with some pork and beef producers who said that the program in Bill C-44 is exactly what they wanted.

It is interesting that this member can get up on his hind legs and talk about this. Many years ago this member was a minister and a parliament secretary. He actually dealt with the PVYn initiative and said he was going to solve it. Guess what? We did not get this way in agriculture and forestry overnight. We got this way because of a lack of action from members like that.

Mrs. Patricia Davidson (Sarnia—Lambton, CPC): Mr. Speaker, I thank my colleague for sharing his time with me this afternoon. It is a great feeling to stand in the House and to proudly speak on a budget that will not only help so many people from coast to coast, but will also strengthen the foundation of our economy in the face of global uncertainty. In these times of economic downturn in other jurisdictions, the hon. Minister of Finance has tabled a strong fiscally conservative budget. Our nation is very well positioned to weather any difficulties that may lie ahead. That is what I want to speak on today.

I want to share with my fellow parliamentarians what I think the strong vision put forward by the hon. Minister of Finance will accomplish for this nation. I want to share with my fellow members today the strong support shown toward our budget from the community of Sarnia—Lambton.

The Budget

However, first I want to make a statement to clear up any misunderstandings that may be held in my riding regarding a particular situation. Last week I had the dubious honour of the member for Don Valley East visiting my riding. She was in Sarnia—Lambton to address a small group of individuals. Regrettably, I was unable to attend the event at which she delivered her remarks. However, if the media have quoted the member properly, the statement she made needs to be corrected. The report states, “The last time the Tories balanced the budget was in 1912 when the *Titanic* sank”.

That is a statement that is totally incorrect. In 2006, our balanced budget passed without dispute. In 2007, once again a strong, balanced budget was tabled and passed in this Parliament. Our fall 2007 economic statement passed. Now we arrive at yet another strong fiscal statement by our government and once again we see a strong, balanced budget.

However, there are much more important things to discuss here today and I have limited time, so please allow me to share the many positive features of this budget and how I feel it strongly helps my riding of Sarnia—Lambton.

My riding of Sarnia—Lambton shares the border with Michigan on the American side and our border is ranked second in terms of total volume at the crossing. Sarnia—Lambton is one of the pistons in the economic engine that is Canada.

Budget 2008 deals with border issues in a sweeping, effective manner. Specifically, we see five areas of key support from the federal government in budget 2008. These initiatives include the following: ensure that the CBSA has the resources it needs to deliver innovative border services, given current economic realities in a new security environment; provide Canadians with access to better and more secure travel documents to cross international borders, specifically the Canada-U.S. border; ensure the integrity of Canada's immigration programs so our borders, and thus our communities, are safer; enhance the security of the Great Lakes-St. Lawrence Seaway region; and address obstacles to cross-border trade in a more efficient and expedient manner.

In Sarnia—Lambton we realize that stronger borders require a stronger on the ground presence. By increasing the number of on-site border services officers and streamlining services at our border locations, we see an evolving strategy to meet operational demands stemming from increased trade and travel.

One of the major complaints I hear on an ongoing basis from constituents is in regard to passports. Budget 2008 effectively deals with this important issue. Streamlining the border requires better travel documents. Document validity and expiration timelines are consistently addressed as concerns to me in conversations regarding passports.

Specifically, the document itself is expensive to renew and can be a financial burden to individuals with limited income who are expected to have such documentation for cross-border travel. In addition to the cost, a Canadian passport is valid for five years, yet due to the fact that a passport must be valid for a minimum of six months in advance, this pushes the true validity of a Canadian passport to four and a half years.

As such, budget 2008 has taken the initiative to introduce a higher security electronic passport by 2011. The validity period of this passport will double in time from five to 10 years. This brings Canada in line with the validity timeline shared by the U.K. and the U.S. and certainly addresses the issue of extended validation period that has been put forth many times to me by constituents in my riding.

• (1610)

Documentation fraud, a process engaged in by criminals, is a high-priced racket. The efforts by fringe elements who engage in documentation fraud are becoming more advanced and increasingly well funded on a growing basis.

In 2007 the Government of Canada completed field trials across Canada for the use of biometric data to enhance official travel documentation and the issuing of travel visas. Fingerprinting and live photographs enhance identity verification and prevent criminals from forging our most precious personal documents. Budget 2008 provides \$26 million over two years to combat this issue. Canada is currently striving to join other countries, such as Australia, the U.S. and the U.K., in bringing biometric technology to the forefront of our document enhancement plan.

The Great Lakes and the St. Lawrence Seaway region is a marine security priority for both Canada and the United States. Budget 2008 provides \$15 million over two years to implement a permanent marine security operation centre in place of the current interim facility.

The operation centre will provide the ability for multiple departments and agencies to collaborate on security measures across the region relating to our ports, our Great Lakes and other navigable water systems in the greater St. Lawrence Seaway corridor.

Organizations like Blue Water Bridge Canada in my riding have been instrumental in the success of NEXUS. First and foremost, my congratulations go out to their management team for their continued leadership.

The NEXUS program was successfully initiated within Sarnia—Lambton, and due to the success of the program, hours of operation for NEXUS were extended along the Sarnia—Lambton border with the United States. The extension in hours alone is testament to the positive influx of participation in the NEXUS program by my constituents.

Budget 2008 will strategically invest \$14 million over the next two years to expand the joint Canada-U.S. NEXUS program by adding much needed dedicated infrastructure, increasing the number of users from the current 160,000 to an impressive 350,000, and better targeting of frequent cross-border travellers.

By streamlining this process we will see increased capacity to get our important business travellers across our shared border, while at the same time cracking down on security risks. This is accomplished by speeding up the time associated with border crossings for low risk frequent travellers, which frees up valuable resources to improve clearance of regular traffic, henceforth improving border security while at the same time reducing border congestion.

The Budget

In addition to the many supportive comments my office has received regarding our spending in budget 2008 on increased border services, other community leaders, ranging from the local mayor to the warden of county council, have shared their enthusiasm for a multitude of other announcements, including education, infrastructure moneys and research and development investment.

Of particular note, Lambton College, our local community college, has generously acknowledged the foresight of our government response to requests for money to be allocated for education. The \$350 million toward the new Canada student grant program is essential in my riding, where academic leaders are actively seeking more programs associated with skilled trades.

The five year \$250 million automotive innovation fund will greatly spur investment in Sarnia—Lambton as well, due to the large influence the auto sector has on companies within our industrial area that produce rubber and plastic utilized in vehicle manufacturing in Ontario. When the auto sector thrives, so does business in Sarnia—Lambton.

The benefits of budget 2008 are quite obvious to me, to the community leaders in Sarnia—Lambton and to my constituents who have already taken the time to contact my office to voice their support of such a positive, fiscally conservative and insightful budget.

I call on all members of the House to fully support budget 2008.

• (1615)

[*Translation*]

Ms. France Bonsant (Compton—Stanstead, BQ): Mr. Speaker, as I listened to my colleague's comments, I felt as though I was back in the Standing Committee on Public Safety and National Security talking about passports.

I would like to ask her a simple question. Female members of Parliament receive the same salary as male members of Parliament, and 80% of unionized women in Canada have pay equity.

As a woman, a member of Parliament, and the representative for her riding, why did she not rise to ask the Conservatives what their budget has to offer in terms of pay equity between men and women?

I would like her opinion on the Conservatives' utter failure to address pay equity between men and women in their 2008 budget.

[*English*]

Mrs. Patricia Davidson: Mr. Speaker, certainly the majority of my speech centred on border security. At the beginning of my presentation I said that was what I would be discussing, since my community is a border municipality.

There are a lot of other comments. Local newspapers are all saying that they welcome the budget. The warden of the county said that the fact the federal government is permanently extending the transfer portion of the gas tax to municipalities for spending on infrastructure projects is good news. He said, "It's money to spend on roads, bridges, water and sewers....it's definitely good news that it's going to become permanent. Municipalities like to see long term sustainable funding, year after year so they can plan things better". He is also pleased with the fact that Ottawa will provide more money to help Ontario's struggling automotive industry.

The local mayor said that the federal decision to introduce 10 year passports is also good news. It will help ease congestion in the flow of traffic on the bridge. He said, "I've been pushing for that for four or five years".

We also have comments from our local college. "Tuesday's federal budget was an investment in the future", said the president of Lambton College—

Mr. David Christopherson: Mr. Speaker, I rise on a point of order.

I seek your assistance, Mr. Speaker, as to whether or not it is in order for us to be debating a budget when there are no members of the official opposition present in the House. Is that still within the rules, or do we have to have at least one member of the official opposition to have a proper budget debate?

The Acting Speaker (Mr. Andrew Scheer): That is not a point of order.

We will take another question or comment. The hon. member for Windsor West.

• (1620)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I would like to ask my hon. colleague a question. I share the border as well. Windsor is very close to Sarnia.

The budget did mention a 10 year passport which is important. I have had a motion for a 10 year passport for the last couple years. I have been pushing that forward as well as reducing the price so it is free for veterans and half price for seniors. It is disappointing that it could not be added in the budget, when that is done in other nations. I do not understand why it is taking three years, given that the United States has a 10 year passport as does the United Kingdom. I would like the member to expand on that question.

Coupled with that, there was no discussion related to border policy. There are concerns regarding emergency vehicles and historic agreements between our communities. I know her community has one. In the past for example, firefighters were able to travel on both sides of the border in times of emergency. Our city was saved from a fire once by Americans coming across the border. Likewise we have helped them out in the past.

The Minister of Public Safety is taking the position that this is a municipal issue and we should work individually with the U.S. Department of Homeland Security, whereas we know there are several communities across Canada that actually need an agreement.

I ask for the member's comments about those subjects.

The Budget

Mrs. Patricia Davidson: Mr. Speaker, the member has worked long and hard on border issues. I certainly appreciate the work that he has done on passports. The new 10 year passport is a good thing for both his riding and my riding. It is an electronic passport. It will be a much higher security passport than the existing one and it takes a while to put that into place.

The other issue of cross-border emergency responses between the two countries is definitely an ongoing issue. I also have been working with the minister on this issue and will continue to do so. I am also working with my counterparts in Michigan on this issue and will be glad to keep the member up to speed on it.

[*Translation*]

Mr. Raymond Gravel (Repentigny, BQ): Mr. Speaker, I am pleased to have this opportunity to discuss the budget. I will share my time with my colleague, the member for Argenteuil—Papineau—Mirabel.

First, as I listened to the budget speech on Tuesday afternoon, my first reaction was that it was a whole lot of hot air that was far from meeting Quebecers' expectations, which we, the Bloc Québécois, have been putting forward for some time now.

Over the past several weeks, we have been telling the Conservative government that it would have to make a significant course correction if it wanted the Bloc Québécois to support its budget. Unfortunately, the Conservative Party ignored our demands, even though they were realistic and good for people. Our demands addressed issues that are problematic in Quebec and elsewhere, such as the environment, culture, the manufacturing and forestry industries, job losses among older workers, seniors living in poverty, and discrimination against women in our society.

I read many reactions to the budget speech, some of which were particularly juicy. Ms. Monique Jérôme-Forget, Minister of Finance in the National Assembly, said that the new federal budget did not reflect Quebec's priorities. She expressed her disappointment as follows:

With \$20 billion worth of room to manoeuvre, the minister...had plenty of opportunity to announce new support measures for the forestry and manufacturing industries—

However, the federal minister has made choices that do not meet the needs expressed by the Government of Quebec.

She deplored that.

Adriane Carr, from the Green Party, said:

I look at this Conservative budget and I see a big group of ostriches with their heads stuck in the tar sands.

I like that description.

Mr. Jean-Claude D'Amours: Stuck deep in the sand.

Mr. Raymond Gravel: Indeed, quite deep.

The Centrale des syndicats du Québec, the CSQ, also said that the government was insensitive to the difficulties Canadians are experiencing and slammed what it called a Pontius Pilate budget. That is another way of saying that the government is washing its hands of our society's problems and crises.

Mr. Parent, president of the CSQ, says that the budget is also disappointing for seniors:

The Conservatives promised to make the guaranteed income supplement accessible to the least fortunate seniors. The budget completely ignores those promises.

Other reactions are similar. We can say that people are unanimous about the Conservative government because in Quebec, they rather strongly reject the budget.

The Fédération des travailleurs et travailleuses du Québec, or the FTQ, also rejects the budget. It had this to say:

Not only does this budget neglect workers, but in a context of manufacturing restructuring, major economic slowdown, and the increased job losses to come in the manufacturing industry, we seriously question the appropriateness of putting \$10 billion toward paying down the debt.

Everyone agrees that it makes no sense to put everything toward the debt and leave nothing for anything else.

This government will be judged on its actions—said the president, Mr. Roy. Alberta, whose economy is overheating, certainly does not need any federal assistance right now. It is the North Shore, Abitibi, the Gaspésie, Saguenay—Lac-Saint-Jean and the major industrial centres that need urgent intervention.

According to the Centrale des syndicats démocratiques, the CSD, “the Minister of Finance should have gotten new glasses instead of new shoes”. It is customary to get new shoes to present a new budget. But he should have gotten new glasses.

I could go on like this for quite some time, for there are countless quotations. However, I would like to speak to you primarily about the file for which I serve as party critic, one that is very important to me, namely, senior citizens. Tuesday afternoon, listening to the minister speak, I had to ask myself exactly whom the elected members of the House of Commons work for. Do we work for the people who elected us and whom we represent here, or for the big businesses that are generating ever-increasing profits and that exploit people and make them poorer and poorer?

Listening to the Minister of Finance, I was left with the impression that the Conservative government does not care at all about the problems facing many of our citizens. We also have the impression that it has taken ownership of taxpayers' money and is managing it in a way that is unfair to the poorest and least fortunate in our society.

● (1625)

I am thinking about the victims of the manufacturing and forestry crisis, in particular, the older workers who lose their jobs, and seniors who were cheated by the government and are living practically in poverty. Yet the government had the means to ease their situation and mitigate its effects. The billions of dollars of surplus could have been used, in part, to ease the suffering and distress of many of our fellow citizens.

The Budget

The Conservative government chose instead to pursue its right-wing politics. The far right, whether political, religious or social, is always very distant from human beings and terribly lacking in humanity. The Conservatives' right-wing politics go something like this: they put the entire surplus towards the debt and forget that they owe a debt to seniors. Conservative politics mean increasing military spending considerably in order to continue the war, when we know that war never resolves human conflict. History has taught us this. Conservative politics continue to support the large oil and gas companies in the west, by lowering their taxes. Yet everyone knows that they are major polluters, and that the entire population is suffering and will pay the price in the near future.

I would like to know why the government is helping the oil companies. I have no idea why. Why does it not want to help the manufacturing or forestry industries? Why be so unfair? Why is the government putting all of the surplus from this year, ending March 31, toward the debt? Why does it not use part of these billions in surplus to help men and women, young people and seniors, who are living in insecurity and who are getting poorer and poorer? Why does it not use part of the billions in surplus amassed by the Canada Mortgage and Housing Corporation to meet the huge affordable social housing needs of all our communities?

We must not forget that these billions in surplus came from taxpayers and do not belong to the Conservative Party. Perhaps it should listen to what the people are saying through the members they have elected. We were elected, just like them.

I would like to talk about my file, which is seniors. Since I became a member, I have travelled Quebec and have visited some regions many times. I have met with the heads of seniors' associations. I listened carefully to their requests and I heard about their needs. These needs are often desperate. We told the government about what seniors need, but nothing in this budget addresses the needs expressed by our seniors.

Everyone remembers that during the last election campaign, the Conservatives officially promised to do right by the seniors who had been shortchanged by the mismanagement of the guaranteed income supplement program. Yet again, there is absolutely nothing about these promises in this budget. Even worse, it goes so far as to tell seniors that they need to work if they want to increase their income. This is despicable, shameful and irresponsible on the part of a government.

Obviously, investing \$60 million per year to allow low-income seniors who can work to do so in order to increase their income is nevertheless a measure that will affect some people. However, it will not help the majority of seniors who are unable to work. Imagine saying that to an 80 or 85 year old who receives the guaranteed income supplement, is therefore living below the poverty line—set by a 2004 government study—and needs \$1,285 just to reach it. Anyone receiving the guaranteed income supplement is poor. They are told that if they want to supplement their income they will have to go to work. That is irresponsible and a slap in the face for those individuals who worked their entire lives. Today, as a gesture of thanks, they are told to go clean houses or work at Wal-Mart for minimum wage.

I find it curious that the MPs and even ministers in the Conservative Party, and therefore in the government, who come from Quebec and who work in Quebec were unable to obtain from their government what seniors everywhere in Quebec are asking for. Why is that? Petitions were signed, postcards sent and most seniors' organizations supported us on this issue.

• (1630)

In addition, we often hear Conservative members say that Bloc Québécois members are useless in Ottawa—

The Acting Speaker (Mr. Andrew Scheer): I apologize for interrupting the hon. member for Repentigny.

Pursuant to Standing Order 38, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Thunder Bay—Rainy River, Forestry Industry; the hon. member for Moncton—Riverview—Dieppe, Official Languages; the hon. member for Ottawa Centre, Darfur.

The hon. member for Madawaska—Restigouche.

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Mr. Speaker, I want to thank my colleague for his speech. I would like him to respond to certain aspects of the budget including the aid to the manufacturing and forestry industries. We know that the Conservatives' aid to the communities is quite pathetic. It is peanuts compared to what our communities and our people need to survive.

Look at page 125 of the budget plan. I will take the time to read it. The Conservatives think \$1 billion ought to solve the problem.

Funding will be accounted for in 2007–08, and paid into a trust for those provinces and territories that identify initiatives before March 31, 2008.

It says March 31, 2008. There is just a month left and the government is saying that the future of these communities—for the little bit that has been given—has to be decided in the next month.

Can my colleague tell me whether it is acceptable for the Conservatives to do such a thing? I think this is unacceptable. They are trying to make sure this \$1 billion is never fully spent within the communities that need it. They are trying to limit the expenditures.

Does my colleague agree that the Conservatives are offering peanuts? And, is it acceptable that the future of these communities has to be negotiated in just a month? That is how much time they have to decide whether their future will be better or not so good.

Mr. Raymond Gravel: Mr. Speaker, it is true that this is peanuts. I agree with my friend that this is peanuts. Yet I wonder why the Liberals are supporting the budget. That still surprises me.

Some hon. members: Oh, oh!

Mr. Raymond Gravel: You are not supporting it? Actually, you will not be voting.

The Budget

In my opinion, this is peanuts. The problem is that the money will be allocated on a per capita basis, even though the problems are much more serious in Quebec and Ontario, where 40% of the jobs have been lost. The payments should not have been made on a per capita basis, but should have gone where the problems are most urgent and communities are in crisis.

In closing, seniors in Quebec will remember, just like it says on the postcards. When the next election comes, they will remember, and they will not forget that they were ignored by the current Conservative government.

• (1635)

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I would first like to congratulate my colleague from Repentigny on his excellent speech. Clearly, in his former career, my friend had the opportunity to spend time with seniors. He is an asset to the Bloc Québécois, with his wisdom and other fine qualities.

I am still wondering why the Conservative budget contains a measure like the \$3,500 tax credit for seniors as an incentive to work so as not to have to pay tax on \$3,500, instead of the \$110 a month that my colleague called for in the prebudget studies and the Bloc Québécois called for in its position.

I would like my colleague to explain the situation facing the seniors he dealt with in his former career in Quebec.

Mr. Raymond Gravel: Mr. Speaker, I would like to thank my colleague for his question.

I think that the problems Quebec seniors are facing are becoming more and more alarming. More and more of them are becoming poor because the cost of living is going up, but the old age pension and the guaranteed income supplement are not going up by much.

There are still lots of people in Quebec—about 40,000—who are not receiving the guaranteed income supplement they are entitled to, so I think it would have been nice of the government to automatically enrol people over 65 who are entitled to the guaranteed income supplement. This issue is important to me. I also think that seniors should automatically get \$110 more per month just to help them reach the poverty line. I think that is important.

This kind of thing is not just happening in Quebec; 135,000 people in Canada are in the same situation. I think that as we work to help Quebec seniors, we are also working to help seniors in other provinces. This problem is very serious. The number of seniors is increasing—they will make up 28% of the population in 2015. I think that seniors can have a big impact politically, so the government would be wise to pay attention to seniors sooner rather than later.

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I am pleased to rise and speak to the subamendment introduced by our party, the Bloc Québécois. It reads as follows:

That the amendment be amended by deleting all the words after the word “contains” and substituting the following:

“initiatives that do not meet the expectations of Quebeckers who have asked that the current year’s surpluses be used to help workers and industries in the manufacturing and forestry sectors, which are facing a serious crisis in Quebec, to help seniors living below the poverty line and help individuals improve the energy

efficiency of their homes, calls on the government to implement these measures before the fiscal year ending on March 31, 2008, and deplores that this Budget ignores the fiscal imbalance by not transferring \$3.5 billion to Quebec and the provinces for post-secondary education and by not eliminating federal spending power”.

This is a very wise amendment that is in synch with the interests and values of Quebeckers. All this has come about because the Conservative government decided to take the \$10.2 billion surplus for the current year. That is why we have set March 31 as the deadline. The government has enough time to act by then. As a Liberal member said earlier, if the government can put in place measures to spend \$1 billion on the community trust to help the manufacturing industry by March 31, it can make political choices about how to use the \$10.2 billion, other than putting it all towards the debt. That is what the government is doing at present: it is using the \$10.2 billion to pay down the debt. It would have enough time and money to respond to the demands made by the Bloc Québécois, as long as it wants to.

That is why the Bloc Québécois did not hesitate to say that the Conservative members—including those from Quebec—who vote in favour of this budget in the House will be acting against the best interests of Quebeckers. Quebeckers of all stripes—from the Liberal government’s minister of finance to Mario Dumont, leader of the ADQ and Pauline Marois, leader of the PQ—have denounced this budget. The fact that so many politicians and citizen stakeholders have stood up to denounce the Conservative budget means that the Conservative government is failing to respect the interests and wishes of Quebeckers.

I always find it surprising that Quebeckers sitting on the Conservative benches will do anything to save their jobs or their portfolios. They would rather roll over, sit up and beg for oil companies, nuclear power interests and the military, than help seniors, workers in the forestry and manufacturing sectors and older workers. Once again, they have decided to bow down to their western Canadian colleagues and do the bidding of the powerful lobby that is pulling the Conservative government’s strings.

Even sadder is the fact that this is affecting our fellow citizens’ quality of life. Some 150,000 jobs have been lost in the manufacturing and forestry sectors. The government would have us believe that all is well with the economy and that jobs are being created, but \$25 per hour jobs are being replaced with minimum wage jobs. That is what is really going on. Such is the bondage to which the Conservative Party would have Quebec submit. The Conservatives want Quebeckers to give up good jobs for minimum wage jobs.

That is the truth of the matter: the government is always looking for ways to impoverish Quebec. Vehicle assembly plants in Quebec were closed—thanks to the Government of Canada, there are none left. Now, the only thing the government is doing to help the manufacturing sector is giving \$250 million to support auto manufacturing in Ontario. That is the truth of the matter.

The Budget

Yes, that is hard to accept, especially when men and women lose their jobs, because it makes it hard for families to make ends meet. Some children get nothing to eat before going to school. Some seniors have a hard time paying rent and feeding themselves. That is the truth of the matter.

Indeed, many older people do not have the \$1,100 they need to rise above the poverty line. My hon. colleague from Repentigny knows why he is fighting.

• (1640)

These men and women, who worked their entire lives, are no longer able to make ends meet today. Medication, housing, everything is more expensive, but these people do not see their income going up any. That is the truth of the matter.

As my hon. colleague said, 26% or 24% of older people—a large majority of them—will still be living under the poverty line in 2015. What this government is now proposing to them is that they work in order to qualify for a tax credit of \$3,500. Once again, this shows contempt for human beings. That is the Conservative way.

We, on the other hand, are well aware of the problem. Thanks to the media and advertising campaigns, they still manage to conceal the hidden side—please excuse the redundancy—of the Conservative Party. That is what is really going on. Day after day, the government remains in place. Perhaps that is the Liberals' strategy. Perhaps they think that by leaving the Conservatives in power, people will ultimately see their true colours. But the problem is that, the longer this goes on, the more people will also see the true colours of the Liberals, which is too bad for them.

While Conservative members from Quebec bow down to their colleagues from the west, the Liberals are hiding under their seats so much do they not dare vote in this House. That is the image they are sending to Quebec society. It is a terrible image of politicians here in Ottawa to be sending to the public. It does nothing to boost the image of politicians.

Once again, the Bloc Québécois cannot just sit back. We have no choice but to stand in this House and vote against this budget, given that Quebec citizens, workers in the forestry and manufacturing industries, are losing their jobs and seniors do not have enough income to make ends meet every month. That is the reality and we cannot ignore it, especially when we consider the salaries earned in this House. The only ones able to ignore reality are the Liberals, who are just sitting back, and the Conservatives, who are adopting measures that run counter to the interests of the most disadvantaged in society.

With this subamendment, the Bloc Québécois is telling the Conservatives that they still have time—until March 31—to act. They have a reported surplus of \$10.2 billion. The Minister of Finance said so and it is even in the budget. Rather than putting the whole amount against the debt, the Conservatives should reinvest a sizeable amount, say \$3.5 billion, in the forestry and manufacturing industries. With \$3.1 billion, they could repay their debt to seniors who are owed arrears of the guaranteed income supplement. They could use \$800 million to increase by \$100 per month the amount of the guaranteed income supplement payable to seniors.

We must not give up and we must not get discouraged. The Bloc Québécois knows this; we are strong. Election after election, we represent a majority of Quebecers in defending the interests and values of the people of Quebec. Why? Because we are the only members able to rise in this House day after day to defend the interests of Quebecers. There is no one else. The Liberals stay seated, the Conservatives rise to defend the interests of western Canada and the NDP is waffling and looking for direction. The Bloc Québécois is the only party able to defend the interests of Quebecers day after day.

This is why all the other parties will find us in their path in Quebec, whether an election is held tomorrow, the next day, in one year or in 18 months. I am proud to rise every day in the House to say that Quebecers are well represented in Ottawa by a social democratic party that is not afraid of saying to those who decide to invest everything in the military, nuclear or oil sectors, that it is time to help seniors, workers in the manufacturing and forestry industries and the less fortunate in our society, because they have the means to do so. Together, we are able to create good programs. Once again, the only party that defends the interests of Quebecers is the Bloc Québécois.

• (1645)

[English]

Hon. Scott Brison (Kings—Hants, Lib.): Mr. Speaker, I will be splitting my time today with the member for Newton—North Delta.

This budget clearly lacks vision, focus and a plan for the future of Canada at a time when we face significant economic challenges and headwinds. It is more important now than ever to have governments that look ahead, not at this week's polls but on the challenges and opportunities that lie ahead 10 years, 20 years, 30 years into the century.

The fact is the budget accomplishes very little. It tries to appeal to the public in many ways by seeming to address critical issues across a wide span of issues, but without actually investing enough in any given issue or challenge to accomplish the desired outcome.

The Conservatives have brought us precariously close to a deficit position in only two years. The fact is the Conservatives inherited the best fiscal situation of any incoming government in the history of Canada. In a two year period, it has frittered that advantage away by spending like drunken sailors and, at the same time, cutting consumption taxes.

The contingency fund now has been removed from the Conservative economic planning. Next year we are tracking to only a \$2.3 billion surplus, the year after that a \$1.3 billion surplus.

Mr. Bob Mills: That is because of caused overtaxation.

Hon. Scott Brison: The hon. member opposite says that is overtaxation. In fact, it is prudent to have a reserve in place such that when we have crises that are outside of our creation, whether it is SARS, or an ice storm, or an international economic decline or a crisis in the manufacturing sector, we can weather those storms.

The Budget

We will be watching the actions of the government very closely in the coming weeks and months. We will be holding them to account to ensure the government does not take Canada into deficit once again.

It is important that at a time when the Conservative spending has put us close to a deficit position and at a time when we are entering a period of economic uncertainty, a \$350 million election on what is essentially a do nothing budget does not seem like sound economic policy or responsible politics. As a responsible opposition party, we have to apply pressure on an ongoing basis to the government to ensure that it does not put Canada into a deficit once again.

Speaking as an Atlantic Canadian, Atlantic Canadians were relieved that the Conservative government did not attack Atlantic Canada, as it did in the last budget when it killed the Atlantic accord. In the last budget it attacked Atlantic Canada; in this budget it ignored Atlantic Canada. It has gone from a Conservative government that holds Atlantic Canadians in contempt to a Conservative government that is indifferent to the needs of Atlantic Canada, so I guess it is a marginal improvement.

Beyond that, there is no mention of significant investment in child care and early learning. There is certainly very little on aboriginal files. Among its first actions as a government, it killed early child care and learning and the Kelowna accord.

On the auto sector, the government took a step to bring back an auto sector strategy. However, it paled in comparison, in terms of funding, with the Liberal auto sector strategy, which the current government killed upon its election.

In terms of manufacturing, the government took a timid step to extend the two year accelerated capital cost allowance to three years. Jayson Myers, the president of the Canadian Manufacturers & Exporters, said this about the budget:

They're eroding and diluting the single measure that would have been the most important for both investment and innovation and to do something for the environment.

• (1650)

He was absolutely right when he said the problem was that it took a while for companies to put capital investments in place. Companies take long term planning seriously and three years is not long enough; five years is required.

The budget does not really do a whole lot. It spreads money around a range of issues. The government is trying to look like it is accomplishing something, but in fact it is more about impressions than achieving anything.

I want to speak about not just what the budget did not do, but on what a visionary, responsible government ought to be doing right now.

Right now Canada has a remarkable opportunity to become a global leader in what will be the fastest growing area of the 21st century economy, and that is cleantech, environmental technologies and clean energy.

We are already an energy producer. That gives us an opportunity to leverage on that position, to go from being a traditional energy producer to being a clean energy producer. We should be putting the

tax measures, regulatory measures and the direct investment into research and development that we require to make that transition as an economy.

I was at the World Economic Forum in Davos a few weeks ago. The top CEOs, business, political, finance thinkers and leaders from around the world were at that conference. They were clamouring to get into sessions on cleantech, on environmental technologies and on biofuels.

The consensus was that the world was moving toward a global carbon constraint economy, that individual governments would be putting a price on carbon. That is occurring already. France is speaking of a carbon tax and bringing in a carbon tariff. California is moving toward that. It is happening within our own country in fact. Quebec has moved in that direction with a carbon tax. The most recent budget in British Columbia put a very significant carbon tax in place and a green tax shift.

As the consensus becomes international policy, governments that have not prepared for this will go from being environmental laggards to being economic laggards. The same with companies that have not prepared for this. If their carbon footprint is too large, they will be economically uncompetitive.

We should be moving pre-emptively to put a price on carbon. That is why our party, under our leader, has presented the idea of a carbon budget. It would put a price on carbon to ensure that the 700 highest emitters in Canada would have a carbon budget within which live. If they went over that, based on \$30 per tonne of carbon, they would pay into a fund from which they could withdraw money for investments in cleantech proposals, clean projects, infrastructure and green infrastructure. It is a very innovative approach. It is the kind of approach any responsible government, which recognizes the environmental imperative and the economic opportunity, would do.

Some of the most successful venture capital firms in the world, like Kleiner Perkins, one of the early stage investors in Yahoo, are putting most of their capital today in cleantech. Globally, companies like Goldman Sachs, the Carlyle Group and others are speaking of the cleantech opportunity. This is a great opportunity for Canada to excel in what will be a highly competitive industry.

It is also going to be an area where we should be deepening our trade and broadening our trade relationships. We should be focusing on China. I speak with a lot of Canadian business leaders who have long-standing business relationships in China. They speak of the business they are losing and the fact that we are falling behind in terms of our bilateral relationship with China because of the Conservative government's approach to China. At a time when we should be deepening the relationship and we should be presenting ourselves and building ties to become the clean energy partner that China needs, we are burning those bridges.

We need to go beyond the meaningless little tax measures designed to buy votes. We need significant broad-based tax reform, focused on building productivity and prosperity.

The Budget

We need to invest in infrastructure because we have a national infrastructure deficit. It is a recreational infrastructure deficit in some communities and in many communities it is a green infrastructure deficit. We still have too many Canadian cities dumping raw sewage into harbours and into bodies of water. We have a significant crisis on transportation infrastructure and transit. We need to invest in agriculture as it is facing challenges.

• (1655)

The fact is we need a government with a vision. I am looking forward to exploring this vision more when we have questions and answers.

[*Translation*]

Mr. Mario Laframboise (Argenteuil—Papineau—Mirabel, BQ): Mr. Speaker, I would like my Liberal colleague to explain that this would take a government with vision, but it has none. He comes from one of the Atlantic provinces and, like he said, there is nothing in this budget for Atlantic Canada. I agree with him, since there is also nothing here for Quebec.

The problem is that he and his party will remain seated, hide somewhere—I do not know quite what—while the government passes a budget that is not welcomed by the maritime provinces, Quebec or Ontario. I am having a very hard time with this.

Considering his fine speech, I am trying to understand—since it is probably an election platform—why, in this case, does he not use this very opportunity to challenge the Conservatives' ideas in an election campaign? That could have been his solution.

I would like him to explain to me and everyone listening how we can possibly not be disillusioned by politics? Indeed, he delivered an excellent speech against the Conservatives' politics, even though he is about to let them get away with them. As a citizen of the Maritimes, he has the opportunity to stand up for his fellow citizens against this government, but he is letting it pass him by.

Hon. Scott Brison: Mr. Speaker, I very much appreciate my colleague's question. However, it is clear that the Liberal Party's responsibility is different than that of the Bloc Québécois or the NDP.

The Liberal Party has a responsibility as the party that formed a government in the past and that will form a government in the future—the near future, I hope. Our responsibility is to be credible, to present clear ideas and to choose the appropriate moment for forming a government. That is not the case for the Bloc Québécois and it is not possible for the New Democrats. Consequently, we are entrusted with a very important responsibility and we take it very seriously.

In the next election, we will present innovative ideas as well as a clear vision and solid platform to make Canada greener, more just and more prosperous. That is very important to us and I very much appreciate his question.

• (1700)

[*English*]

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, I heard the member's critique of the budget. I hear his colleagues describe the federal government as a very frightening far right-wing

government. They rail against the policies and budgets of the government in their ridings. However, when they come to Ottawa, they either vote with the government, or they stay in their seats. Which is the real opposition? What they say in their ridings when they talk to constituents, or what they do in Ottawa?

We know there is nothing in the budget for the very poorest people in our society, nothing for homelessness, nothing for affordable housing, nothing for seniors. It completely abandons the manufacturing sector.

Is it a far right-wing government that Liberals will do everything to fight against, which is what they say in the riding, or is it the vote in favour or sitting on their hands when they are in Ottawa? Which is it?

Hon. Scott Brison: Mr. Speaker, the fact is we consider the consequences of budget votes more seriously than the NDP. In fact, if members of the NDP had considered the consequences of their budget vote that defeated the last Liberal government, they probably would not have followed through on it. They killed a national early learning and child care system. They killed a tremendously important Kelowna accord.

In fact, as a party that has never formed a government, as a party that will never form a government, those members can say whatever they want. We, on the other hand, believe it is extremely important to be a responsible opposition and not to—

The Acting Speaker (Mr. Royal Galipeau): Resuming debate, the hon. member for Newton—North Delta.

Mr. Sukh Dhaliwal (Newton—North Delta, Lib.): Mr. Speaker, I am pleased to rise today to offer the House my response to the budget. For the Canadian public, this is not an exciting budget. As the representative for Newton—North Delta I see two key reasons for this.

First and foremost, this is a document that leans heavily on the past Liberal government for inspiration.

Mr. Rob Moore: Like what?

Mr. Sukh Dhaliwal: I will be coming back to that.

There was a strange sense of déjà vu on Tuesday, listening to the finance minister deliver policy after policy that first came from the Liberal side of the House. For example, take the gas tax that is proposed to be permanently transferred to the cities for infrastructure. The Liberal member for Wascana announced in 2005, “The Government of Canada will share with municipalities a portion of the revenue from the federal excise tax on gasoline to help provide new, reliable, long term funding to ensure fairness among regions and among communities”. This example is only one of many measures announced on Tuesday that we have all heard before.

Another glaring example of the void of ideas from the government is the fact that since last year's budget, the Liberal Party has called for support for the auto sector. Yet the finance minister refused to act upon it until now. Why this sudden reversal of politics and patience? Because the government has become very nervous by the polls. It has realized that what attracts voters are Liberal policies that make a difference in the lives of people.

The Budget

For these reasons, the budget is something that is not worth triggering an election over. Although, over the past couple of days many people have asked me why the Prime Minister is finally listening to the demands of the official opposition. My answer continues to be that this is the path with which Canadians are most comfortable. The finance minister was obviously made aware of this in the budget consultations across the country.

The second reason the budget was a disappointment was the fact that the specific priorities of my riding of Newton—North Delta had come up well short in this budget.

In the 2006 election campaign, the Prime Minister made a pledge to put an additional 2,500 municipal police officers on the street. During the past two years, city and municipal leaders and police departments have been appalled by the lack of action. I have raised this matter in the House and in the media as well, but not one cent has been invested toward the election promise until Tuesday.

Now that the money has been committed, it is clear that the amount is completely insufficient to attract enough new officers to make our streets and communities safer. In every city in Canada, local police departments and RCMP detachments are hungry for new recruits. Aggressive campaigns have been initiated to attract the best and brightest. It has come to the point where municipalities are actively competing against one another for new personnel.

On Tuesday, the finance minister offered only \$400 million over five years for those additional 2,500 municipal police officers.

I am not a mathematician, but I did some calculations to see how far that money would go. If we break down the \$400 million over five years, it works out to \$80 million annually, spread out over 2,500 officers. This averages to a rate of pay of only \$32,000 a year.

•(1705)

Let us consider the work our police do, the dangerous realities of the job, the long hours and the time away from family. Officers are even being relied upon for mental health counselling on the street, according to the recent Vancouver police study. How can we possibly expect to attract the number of recruits needed with such an inadequate amount of funding?

My riding is also worried about the embarrassing investment in border security. Last year was the busiest year of cross-border traffic that Canada has seen since 2001 and yet this budget only allots enough money for one new officer per entry point.

My riding relies heavily on the smooth flow of goods and people being able to cross the border but since the summer the delays and lineups have been obscene. Business owners, exporters, trucking companies and residents are being forced to wait hours in their idling cars. They have all come to me, desperate for some kind of change. I have raised the issue with the minister in the past, but this budget will do little to relieve their frustration.

Going the other way, the government has stood by silently while the United States dictates its border policy in isolation. We are left with more traffic than our border security can handle but the government has failed to recognize how serious this problem is.

I am also troubled by what has happened to the Liberal legacy of fiscal responsibility. This budget projects a surplus of only \$2.3 billion this year and \$1.3 billion next year. This is well below the \$3 billion contingency fund the Liberals established as a bare minimum to cushion against unanticipated economic shock.

The government's actions over the last two years have left it no room to manoeuvre if the economy continues to falter. We must not allow Canada to return to deficit but the irresponsible policies of the government have put us dangerously close to being in the red.

I sought out the opinions of my constituents of Newton—North Delta and found that there was little appetite to spend \$300 million of taxpayer money. If we were to bring down the government, it would cost the taxpayers \$300 million to go into an election. I have also found that people are looking for vision from the government, something that it is sorely lacking at this moment.

•(1710)

Mr. Brian Masse (Windsor West, NDP): Mr. Speaker, I am a little bit puzzled by my colleague's speech in the sense that he talks about the concerns raised in the budget and that the budget does not meet the needs of Canadian.

We have heard the commentary all day long that it is supportable because Canadians do not want an election, but the co-chair for the Liberals' election campaign basically told reporters that the Liberals will provoke an election when they think they can win. The bottom line is that simple.

Why is my friend not willing to address the issues that he feels are important, whether it be poverty, the manufacturing crisis, education or health care? Why are all those people who are affected by those issues disposable because the Liberals want to pick a time when they can win an election as opposed to debating this in a democracy?

Mr. Sukh Dhaliwal: Mr. Speaker, if that member and the NDP are so concerned about child care, aboriginal communities and poverty, why did they vote with the Conservatives in the last election to bring down the Liberal government? He should remember that by doing so, we lost the child care agreements with the provincial governments, the Kelowna accord and the Kyoto protocol.

It was because of the NDP. The member for Windsor West and his party should be ashamed for raising this issue.

The Acting Speaker (Mr. Royal Galipeau): The hon. member for Windsor West will be recognized on a point of order which I hope is not a point of debate.

Mr. Brian Masse: Mr. Speaker, I do not think so. I just want to say that as New Democrats we did not actually have enough votes to prop up his government, and others voted against it. I just wanted to make sure that the record was clear on that.

The Budget

• (1715)

The Acting Speaker (Mr. Royal Galipeau): As I had feared, the hon. member for Windsor West had a point of debate and not a point of order.

[*Translation*]

It being 5:15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

The question is on the amendment to the amendment. Is it the pleasure of the House to adopt the amendment to the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour will please say yea.

Some hon. members: Yea.

The Acting speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker: In my opinion, the nays have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): Call in the members.

• (1745)

(The House divided on the amendment to the amendment, which was negated on the following division:)

*(Division No. 43)***YEAS**

Members

André	Asselin
Bachand	Barbot
Bellavance	Bigras
Blais	Bonsant
Bouchard	Bourgeois
Brunelle	Cardin
Carrier	Crête
DeBellefeuille	Demers
Deschamps	Duceppe
Faillie	Freeman
Gagnon	Gaudet
Gravel	Guimond
Kotto	Laforest
Laframboise	Lavallée
Lemay	Lévesque
Lussier	Malo
Ménard (Hochelaga)	Ménard (Marc-Aurèle-Fortin)
Mourani	Nadeau
Ouellet	Paquette
Perron	Picard
Plamondon	Roy
St-Cyr	St-Hilaire
Vincent — 45	

NAYS

Members

Abbott	Ablonczy
Albrecht	Alghabra

Allen	Allison
Ambrose	Anders
Anderson	Angus
Atamanenko	Bagnell
Bains	Baird
Barnes	Batters
Bélanger	Bell (Vancouver Island North)
Bell (North Vancouver)	Bennett
Benoit	Bernier
Bevilacqua	Bevington
Bezan	Black
Blackburn	Blaney
Boshcoff	Boucher
Breitkreuz	Brison
Brown (Leeds—Grenville)	Brown (Barrie)
Bruinooge	Byrne
Calkins	Cannan (Kelowna—Lake Country)
Cannis	Cannon (Pontiac)
Carrie	Casson
Chan	Charlton
Chong	Chow
Christopherson	Clement
Coderre	Comartin
Comuzzi	Cotler
Crowder	Cullen (Skeena—Bulkley Valley)
Cullen (Etobicoke North)	Cummins
Cuzner	D'Amours
Davidson	Davies
Day	Del Mastro
Devolin	Dewar
Dhaliwal	Dhalla
Dion	Doyle
Dryden	Dykstra
Easter	Emerson
Epp	Eyking
Fast	Finley
Fitzpatrick	Flaherty
Fletcher	Folco
Fry	Galipeau
Gallant	Godin
Goldring	Goodale
Goodyear	Gourde
Grewal	Guarnieri
Guergis	Hanger
Harper	Harris
Hawn	Hearn
Hiebert	Hill
Hinton	Holland
Hubbard	Ignatieff
Jaffer	Jean
Kadis	Kamp (Pitt Meadows—Maple Ridge—Mission)
Karetak-Lindell	Karygiannis
Keddy (South Shore—St. Margaret's)	Keeper
Kenney (Calgary Southeast)	Khan
Komarnicki	Kramp (Prince Edward—Hastings)
Lake	Lauzon
Layton	Lebel
LeBlanc	Lee
Lemieux	Lukiwski
Lunn	Lunney
MacAulay	MacKay (Central Nova)
MacKenzie	Malhi
Maloney	Manning
Mark	Marleau
Marston	Martin (Esquimalt—Juan de Fuca)
Martin (Winnipeg Centre)	Martin (Sault Ste. Marie)
Masse	Mathysen
Matthews	Mayes
McCallum	McDonough
McGuinty	McGuire
McKay (Scarborough—Guildwood)	McTeague
Menzies	Merrifield
Miller	Mills
Minna	Moore (Port Moody—Westwood—Port Coquitlam)
Moore (Fundy Royal)	Mulcair
Murphy (Moncton—Riverview—Dieppe)	Murphy (Charlottetown)
Nash	Neville
Nicholson	Norlock
O'Connor	Obhrai
Oda	Pacetti
Paradis	Patry
Pearson	Petit
Poillievre	Petence
Preston	Priddy

Proulx
Ratansi
Reid
Ritz
Rota
Savage
Scarpaleggia
Schellenberger
Shiple
Silva
Simms
Solberg
St. Amand
Stanton
Storseth
Sweet
Telegdi
Thibault (West Nova)
Thompson (Wild Rose)
Toews
Trost
Tweed
Van Kesteren
Vellacott
Wallace
Warkentin
Watson
Williams
Yelich

Rajotte
Redman
Richardson
Rodriguez
Russell
Savoie
Scheer
Scott
Siksay
Simard
Skelton
Sorenson
St. Denis
Stoffer
Strahl
Szabo
Temelkovski
Thompson (New Brunswick Southwest)
Tilson
Tonks
Turner
Valley
Van Loan
Volpe
Warawa
Wasylycia-Leis
Wilfert
Wrzesnewskyj
Zed— 230

PAIRED

Members

Guay
Lalonde
Pallister
Thi Lac

Harvey
Lessard
Smith
Verner— 8

The Speaker: I declare the amendment to the amendment lost.

[English]

It being 5:50 p.m., the House will now proceed to the consideration of private members' business as listed on today's order paper.

PRIVATE MEMBERS' BUSINESS

• (1750)

[English]

INCOME TAX ACT

The House resumed from November 28 consideration of Bill C-253, An Act to amend the Income Tax Act (deductibility of RESP contributions), as reported (with amendment) from the committee, and of the motions in Group No. 1.

Mr. Chris Warkentin (Peace River, CPC): Mr. Speaker, Bill C-253 is an excessively costly and irresponsible modification to the registered education and savings plan. It would do little to support access to post-secondary education here in Canada.

Before discussing my concerns with this piece of legislation, I would like to provide a brief overview of the current RESP program and how it attempts to encourage savings with post-secondary education.

Currently, over \$600 million annually is provided to tax and grant assistance to encourage RESP savings. This is done through numerous ways.

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First, contributions attract a Canada education savings grant, or CESG, of up to \$7,200 per beneficiary. Second, income in the plan accumulates tax-free, and grants and withdrawals are taxed in the hands of the students. This is usually when their incomes are low and as a result their tax bills are usually quite modest. Third, further additional support is provided for low income individuals through an enhanced CESG and a Canada learning bond. These measures cumulatively aim to provide a substantial incentive to save.

This Conservative government, in its past two budgets, has advanced measures to expand access to RESPs and has introduced additional flexibility for students. Budget 2007 raised the lifetime RESP contribution limit to \$50,000. It eliminated annual contribution limits and raised the maximum amount of a CESG that can be received in a year to \$500. The budget also provided part time students access to RESPs, recognizing the reality that many students, either by choice or by necessity, work while they learn.

Budget 2007 measures represented a significant but prudent revamping of the program and one that was greeted favourably. *Maclean's* called them "all smart, progressive ideas that are rightly applauded", while the *Victoria Times Colonist* declared them "positive changes".

Budget 2008 continued along the path with even further enhancements to increase the time limit over which individuals may contribute to an RESP and the time that the plan may remain open. The later change was especially important, as noted by taxation expert Jamie Golombek. He said:

With people staying in school longer, and with many post-secondary degrees—such as medical or law degrees—requiring years of study, the current RESP time limits were no longer sufficient.

Jointly, these measures will both enable families with more than one child and students pursuing an education over an extended period of time to have the ability to utilize RESPs.

The Conservative government's revamping of the RESP program represents a concrete demonstration of our commitment to improve post-secondary access through an improved and expanded RESP program.

I note that Bill C-253 was originally given first reading near the beginning of the 39th Parliament on May 4, 2006. At that time, I am sure that the hon. member of the Liberal Party could not have envisioned that this newly minted Conservative government would undertake such positive modifications to the RESP program in the budgets of both 2007 and 2008.

Nevertheless, we have taken action, and that action has and will have direct ramifications for the already exorbitant costs associated with the already flawed piece of legislation, namely Bill C-253. Moreover, Bill C-253 changes the system and would not improve the RESP program.

Further, neither of the amendments under debate today would take care of such concerns either. For instance, the amendments proposed by the member for Pickering—Scarborough East and the member for Jeanne-Le Ber would make contributions taxed in the hands of the contributor when withdrawn from the plan rather than being effectively tax-free, as is currently the case.

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● (1755)

The most serious concern with Bill C-253 remains cost, which, when first proposed in 2006, was estimated to be a whopping \$800 million annually, but has since mushroomed an additional \$100 million to a massive \$900 million annually.

The estimated massive \$900 million cost can be broken down into two components. First, it represents an increased tax assistance on current contributions and would cost over \$650 million annually. In other words, the measure proposes to spend about \$650 million before generating a single dollar in additional RESP savings.

Second, an additional \$250 million cost is expected from the contribution of the tax relief provided through the deduction. This is not an isolated instance of Liberal members introducing a proposal with no consideration of cost. Rather, it is part of a larger pattern of reckless and fiscally irresponsible proposals since the 2006 federal election. These have been brought forward by the Liberal Party and its many leaders. They are proposals that would immediately push Canada back into deficit and rack up a \$62.5 billion and counting deficit, and push that onto our debt.

I ask the member for Pickering—Scarborough East how he plans to pay for Bill C-253? I personally believe the hon. member to be a good man and a good member of the House, but I am concerned that he might be proposing something that would inevitably cause Canadians to have their taxes raised.

I am wondering which programs he might propose that we otherwise would have to cut and if he is really prepared to see Canada go spiralling into a deficit to address this bill.

We ask these questions rhetorically, really, because we all know that Canadian taxpayers may eventually have to foot the bill for yet another instance where the Liberals have engaged in fiscal irresponsibility. Unlike such fiscal irresponsibility, our Conservative government acknowledges that we need to be prudent during global economic uncertainty. We cannot make such unrealistic proposals that would force Canada to go into a deficit situation.

Outside of the various serious concerns related to the cost of Bill C-253, there are still some technical flaws. The most obvious of them would be the pre-2006 contributions and how they would be withdrawn. In effect, under this bill, contributions that never received a tax deduction would be taxed when they are withdrawn. We cannot support this costly bill and we ask the House to defeat it.

At the same time, we ask for the House's support for the measures brought forward in budget 2008, a budget that builds on our record of investing in the best educated, most skilled, and most flexible labour force in the world.

Budget 2008 introduces a new consolidated Canada student grant program. All federal grants will be integrated into one program that will provide more effective support to more students for more years of study, thus assisting Canadian families who struggle with the cost of higher education.

The new Canada student grant program will be simple, transparent and broad-based, providing certainty and predictability for Canadian families. The reaction to budget 2008 has been overwhelmingly positive among students, leaders and universities.

The College Student Alliance said budget 2008, “—shows that the federal government is keeping an eye to the future and our future leaders of tomorrow—”; the Canadian Federation of Students added, “—the government has responded to a long standing call by students and their families—”; and the Association of Universities and Colleges of Canada declared, “We are pleased that the budget has announced important initiatives—”.

● (1800)

Budget 2008 represents prudent, responsible and effective action from this Conservative government while Bill C-253 represents \$900 million in Liberal fiscal irresponsibility, the type of which we have come to expect from the Liberal Party and its current leader.

It is reckless Liberal spending that Canadian taxpayers cannot afford. At the end of the day taxpayers may be forced to foot the bill for this reckless Liberal spending and Liberal deficits. I hope not.

[*Translation*]

Mr. Jean-Yves Laforest (Saint-Maurice—Champlain, BQ): Mr. Speaker, I am pleased to speak to Bill C-253, which amends the Income Tax Act with respect to registered education savings plan contributions. The Bloc Québécois firmly supports this bill. We believe that it will make education more accessible to more young people. This is especially true in Quebec, given the cost of education.

In Quebec, there are great distances between regions and between educational institutions. Given that these institutions are located in areas that are often very far from students' homes, it is important to improve access to education for a great many students in Quebec.

Obviously, higher education is expensive for families. Often, young families will take this into consideration when deciding whether or not to have another child, because they know that education is extremely costly. The more we improve funding for students and the easier we make it for them to take advantage of such a system, the more we will promote not only population growth, but access to education by students in Quebec.

This bill was referred to the Standing Committee on Finance, where members of the Bloc Québécois expressed several concerns about it. One concern stands out: this must not become a tax loophole. Rich families and people with very high incomes must not be allowed to use this tax deduction as a shelter. That would turn it into a regressive measure for middle-class families and middle-income earners.

The amendments proposed by the member for Pickering—Scarborough East seek to address this problem by setting a lifetime contribution limit, but they do not set a yearly limit.

My colleague from Jeanne-Le Ber, who proposed a subamendment to the Liberal member's proposal, gave an example that I will repeat to illustrate the potential downside of this proposal.

This is a concrete example based on the situation that would arise from the existing Liberal amendments. For example, a taxpayer earning \$150,000 in a single year can contribute \$50,000 to a registered education savings plan in that same year. The taxpayer would get a tax refund of \$14,500. Then over the next five years, the taxpayer's child could withdraw up to \$10,000 per year from the plan, tax-free. In the end, the government would be giving \$14,500 to people with a lot of money to begin with, people who earn a lot.

That is the kind of situation the Standing Committee on Finance discussed, the kind of situation the Bloc Québécois does not want to see. My colleague from Jeanne-Le Ber moved a subamendment to the amendment proposed by the member for Pickering—Scarborough East because the Bloc Québécois supports the bill in general but is against creating a situation that takes advantage of middle-income individuals and families. My colleague's proposed amendment would set an annual deductible contribution limit of \$5,000. If the subamendment is passed, the Bloc Québécois will support the bill as amended by the Liberal member.

● (1805)

[*English*]

Ms. Peggy Nash (Parkdale—High Park, NDP): Mr. Speaker, the state of post-secondary education in this country is really deplorable.

If we look at the need for our society to adapt to a rapidly changing world, the need to help shape a 21st century economy, and the need for young people to get additional skills, training and development so they can succeed in life and fully contribute to our society and our economy, we see a post-secondary education system that governments are failing.

We are finding students who are saddled with more and more debt. There are young people starting out in life mortgaged to the hilt and paying off their education.

Other countries have chosen a different path. They have chosen the path of encouraging their young people to get as much education as possible and to gain as many skills as possible. They understand that when the potential of young people is unleashed and they are given help to prepare in the best way possible for the future by being given as much education as possible, a huge potential is created for society. That country is then investing in the future of society and the future of the economy.

Many European countries, and Ireland is one example, have decided that this is a part of their strategy for the future in terms of revitalizing their economy. It is to increase the percentage of young people who can get access to post-secondary education.

We know that student access to post-secondary education is really dependent on the affordability. For many working and middle class families, the prospect of starting out life with a massive debt is simply untenable.

Recently at the industry committee I heard from the head of the Canadian Dental Association, who described how dental students are

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facing tuition fees of \$50,000 a year. Dentists are starting out in their careers with an absolutely massive debt at a time when they need to make investments in equipment and machinery. He also said that Canada is graduating fewer dentists today than we were 30 years ago.

That is just one example of the narrowness of our focus on post-secondary education. Simply transferring money to universities is not good enough. What we need to do is actually bring down tuition fees so that post-secondary education is affordable to as many students as possible. We know that with tuition fees as high as they are, and rising, fewer middle class students, especially working class students, are going to get access to post-secondary education.

The focus on RESPs as a strategy for enhancing affordability is really problematic because it advantages disproportionately the wealthiest members in our society, who will be able to have full access to the RESP system, especially if it is a taxable credit. In the first year, it will take about a half a billion dollars. This will of course escalate and increasingly skew the ability of those who are the wealthiest to get access to these kinds of savings.

We in the NDP believes that the best way to use these tax dollars is not to give them back to those who are the wealthiest and the most able to invest in their children's education as it is, but to reduce the cost of tuition fees so that there is broad access for all students. We believe that the grant portion ought to be far more broadly available so that we are not sinking students deeper into debt.

● (1810)

Having said that, I certainly know that many families across the country will be saying that they have gone beyond frustration with governments when it comes to post-secondary education. Governments have failed students by not making education affordable. Increasingly, rather than seeing a collective solution whereby governments invest in post-secondary education and make it affordable for all students, parents are thinking that this is an individual responsibility and that they have to save in accounts for their children, starting off when they are born, to be able to afford to send them on to university.

Again, I do want to say that for parents who are facing job loss or any kind of major economic challenges in life, it is extremely difficult for them to save this kind of money for their children's education. However, for parents who do manage to save for their children's education, those parents certainly would be in support of a tax credit as is proposed here.

It is a difficult issue for Canadians to grapple with. Certainly our party preference is that we create an education system that is affordable for everyone and that we invest in a massive way in post-secondary education so our youth are equipped to deal with a rapidly changing and globally competitive economy and are trained with the best skills possible.

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However, I do understand the needs of families who are so strapped but do manage to put a bit of money away. They would appreciate a tax credit for that. I think it is a shame that parents are put in this situation whereby the government abandons the most efficient, effective way of the greatest number of students being able to attend university, including those who have the marks to succeed but do not come from a family wealthy enough to save for their education. I think it is a shame that we pit those families against the families who have the money to be able to save for their children's education.

If we are to look to the future and the need for students across this country to get an education, I would like to think that they are looking at a future in which our government does everything possible to encourage students to go to university and makes tuition fees as affordable as possible so young people do not say that university is simply not an option for them.

As for middle class families who have the money and the resources to put funds away year after year, they are the folks who will be able to benefit from all kinds of different tax shelters and all different kinds of savings accounts, so of course they would rather have the tax credit for the RESP. I am sure there are families in my riding who will say they have been saving since their children were born, they have put money away and it would certainly benefit them to get the tax credit for it. I appreciate their concern. I appreciate their desire to have a tax shelter.

However, I say again that it is a poor way to design an overall education policy. I believe that overall it fails the students of Canada. I believe it fails what we could be for the future. It is a very different path from that of so many other successful economies around the world. I think we could take a page from the books of a number of other countries. Ireland stands out, as I have said before. It really is too bad that the previous government and the current government have not seen fit to make post-secondary education the priority that it needs to be.

My time is almost up. I just want to say that I was at the University of Ottawa last night speaking to a number of students and the number one issue students raised with me was the issue of student debt. I believe it urgently needs to be addressed by this government. It is not addressed in the budget that has been put before this House. I believe it is long overdue that collectively as members of Parliament we decide to take on this issue and finally make some progress.

• (1815)

Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to and support the bill put forward by my colleague from Pickering—Scarborough East.

This is a bill that addresses a specific need that Canadian students as well as Canadian families have in trying to get the most out of their children and to maximize the human resource potential not only of individual students but of Canada as a whole.

This probably has been my number one issue since I have been elected. It is my belief that the number one public policy issue facing Canada domestically is how we harness the human resource capacity of all Canadians from all segments of society. It is very important

that we do this. A number of solutions need to be employed. This is one instrument that can be used to ensure that Canadians have a better chance of reaching their human potential, so it is very important.

Why is it important? Canada is a very well educated nation. We do very well in the world. We have a history of educating our people. Canada has been a fortunate nation overall, but in the last few years other countries have started to invest very heavily in education.

The OECD nations and of course the emerging nations of China and India, many nations that used to send a lot of students to Canada, are now starting to invest in their own universities much more and those students are being educated at home.

I believe it is the federal government's role and responsibility to take a leadership position in assisting students to get an education. Our federal Liberal government did that. It is just not right to say that post-secondary education was not a priority for the Liberal government. After we cleaned up the economic mess we inherited in 1993, our government invested very heavily.

The Millennium Scholarship Foundation, which met its untimely demise two days ago, was a hugely important measure for helping students, particularly in a needs-based system, get an education. The Canada learning bond was another measure one as was the reform of Canada student loans. There were a number of those things.

Because we often hear about the cuts to the CHST of the 1990s, it is very important to understand in fact that in the Conservatives' first budget of 2006 they specifically had an analysis which showed that the federal government contribution to post-secondary education had stayed constant over the decade. Yes, there had been reductions in transfers, but other initiatives had made up for those cuts. People can say they do not like the fact that it did not go directly to the province in the form of a transfer, but the fact is that the money went for education.

Let us talk about research. Ten years ago, we could not pick up a *Globe and Mail* or the *Halifax Chronicle-Herald* without a story about the brain drain. The federal Liberal government of the late 1990s and the early 2000s addressed that, pouring \$13 billion into research. It was not because it was a politically sexy issue. Frankly, it was not, but it has turned the brain drain around to the point that Canadian researchers and other researchers are coming to Canada to do work now. That is very important. We made huge investments.

As MPs we get to travel. When I get to go around Canada to talk to students, I also look at the difference that research money has made for Canada. We have the synchrotron in Saskatoon and the new Life Sciences Centre at UBC. Last week I had a chance to go Victoria to look at the NEPTUNE and VENUS projects. This is work being done under the oceans. I had a chance to see how important that is for the future environment of the Earth. This stuff is very important.

We made huge strides, going from near the bottom of the G-7 to the very top of the G-7 in public investments in research. However, now the other nations have caught up and we have lost that momentum in the first two years of this government. So what are the needs and how does this bill fit in? I want to address that.

In my view, the number one need for students is to make sure that those who are under-represented in our universities, community colleges and polytechnics get there. That means needs-based grants. There is no question in my mind that we need this. The millennium scholarships were doing that.

I am prepared to wait and see what the government does with its new Canada student grants system. My concern is that it has reduced the amount of grants that go to the students most in need, but it also allows more students to apply, so they will be middle income students. We will have to wait and see what happens on that. The government generally has treaded water when it comes to assisting students, with the \$80 tax credit being the sort of poster boy of tax foolishness to try to assist students.

• (1820)

The bill is a much more effective measure. I think all members of Parliament hear from their constituents. People come to our office and tell us that they do the best they can to get their kids through university. When the people themselves went to university, the tuition was \$1,170. Acadia now is \$8,000 and Dalhousie is \$6,500 a year, first year arts and science. These parents are asking for a vehicle, something they can use. They want a chance to make it more affordable for their families. I think people would look at this and say “hallelujah”.

The RESP has been a good vehicle. The problem is there is no taxable benefit for people paying when they have an income. Students get it when they do not have to pay taxes generally anyway, so this reverses that process. It makes post-secondary education less of a dream and more of a reality. It gives students and their families a chance to say that they have something that makes a significant difference to them, and they will use it.

I believe the biggest need and the biggest gap in our universities is among aboriginal Canadians, low income families and persons with disabilities. We need to directly invest in this to ensure those people have an opportunity to get post-secondary education.

However, it makes no sense to me to oppose a measure for a whole bunch of families who are struggling, who are working, who are doing everything they can to pay the bills and try to put a little away for their children's education. This makes it more attractive, more approachable, more affordable and makes it a realistic goal for families. It makes post-secondary education a possibility for some of those people who would not have it.

Private Members' Business

I applaud my colleague from Pickering—Scarborough East. I think an awful lot of families will wake up some day, if this is implemented, and say that they can now do it what they could not do before.

I am pleased to support the bill. I encourage all members of the House to do likewise.

The Acting Speaker (Mr. Royal Galipeau): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Royal Galipeau): The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): The recorded division on Motion No. 1 stands deferred.

[*Translation*]

The next question is on the amendment to Motion No. 2. Is it the pleasure of the House to adopt the amendment?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Royal Galipeau): All those in favour of the amendment will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Royal Galipeau): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Royal Galipeau): In my opinion the yeas have it.

And five or more members having risen:

The Acting Speaker (Mr. Royal Galipeau): The recorded division on the amendment stands deferred.

*Adjournment Proceedings**[English]*

Normally at this time the House would proceed to the taking of the deferred recorded divisions at the report stage of the bill. However, pursuant to Standing Order 98 the divisions stand deferred until Wednesday, March 5, immediately before the time provided for private members' business.

• (1825)

Mr. Ken Epp: Mr. Speaker, I rise on a point of order. I urge you to seek the unanimous consent of the House to see the clock at 6:30 p.m., even though it really is not.

The Acting Speaker (Mr. Royal Galipeau): Is that agreed?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

A motion to adjourn the House under Standing Order 38 deem to have been moved.

[English]

FORESTRY INDUSTRY

Mr. Ken Boshcoff (Thunder Bay—Rainy River, Lib.): Mr. Speaker, today, in the natural resources committee we learned that the world price for pulp had reached a record high. Yet over the past two years pulp plants, newsprint plants, sawmills and lumber plants of all types have closed and thousands of workers have lost their jobs. Tens of thousands of people have been disastrously affected. Families, suppliers, transporters and entire communities have been hit hard.

At today's committee meeting, we heard from witnesses who outlined the need for strong federal leadership in driving forest resource policy. We know the margins of Canadians industries have become wafer-thin. We know labour has certainly done its part to help. Yet there are still competitors in Asia and Scandinavia that out-produce us by several times. For example, if a 60-year-old Canadian plant produces 700 tonnes a day, a modern plant in India produces 3,500 tonnes a day.

Industry and labour both know what must be done. Indeed, the many calls for a national forestry summit have only been addressed by the liberal leader, who had agreed to do this immediately upon becoming prime minister. Liberal members would also be more than happy to participate if such a summit would be convened as early as next week.

I have been to symposiums that have brought together key players. Believe me, we have all been at the table and we all have to be at the table to find consensus.

In its current study, the natural resources committee has received viable and reasonable solutions from rational and professional forestry industry organizations and individuals. There is a role for the federal government in designing a national strategy.

Indeed, those countries that have displaced us in production have achieved these remarkable results by having a plan. The last time Canada had such a thorough approach was when the hon. member

for Kenora helped to devise a forest competitiveness plan of \$1.5 billion. That plan was thrown out by the Conservative minority government. Thousands of people and dozens of plants could still be working had such a worthy plan not been recklessly tossed aside.

Canada could leapfrog the technological gap by advancing such positive ideas as biofibre. We can get our position as a world leader in the forest industry back.

The forest industry is not a sunset industry. It is only the attitude of the government that is holding it back. The inadequate and poorly planned community development trust does not even have any guidelines on the use of its funds.

The forest industry does not want money thrown at it. It will only restructure positively with federal, provincial and territorial government cooperation to mesh their energy and resources policies.

The forest industry file has been ignored in a callous and uncaring manner by the Conservative government for over 25 months. In my opinion, and in the opinion of the unemployed workers, it is 25 months too long.

Mr. Ted Menzies (Parliamentary Secretary to the Minister of Finance, CPC): Mr. Speaker, I will respond to the accusations of my hon. friend from Thunder Bay—Rainy River that the community development trust will not be effective in helping his constituents and many others.

Canada's forest industry is a key component of our economy, and our Conservative government's actions through budget 2008 demonstrates our support for it. While Canada's overall economy remains robust, we acknowledge rising challenges facing certain sectors, ranging from global economic turbulence to a weakening American dollar.

Budget 2008 builds on an aggressive pre-emptive action taken both in the 2007 fall economic update to reduce the tax burden for businesses and earlier this year to support struggling communities and workers.

Since forming government, we have brought forward significant broad-based tax reductions that will deliver over \$9 billion in tax relief for manufacturers and processors by 2012-13, including the extended capital cost allowance for new manufacturing equipment announced in budget 2008.

Budget 2008 further provided greater accessibility to the enhanced scientific research and experimental development tax incentive program and additional funding to improve the administration of the program.

In addition, we are providing \$1 billion for the community development trust to help provinces and territories assist one industry towns facing major downturns, communities plagued by chronic high unemployment or regions hit by layoffs across a region of sectors such as manufacturing and forestry, especially in northwestern Ontario.

We introduced Bill C-41 to quickly implement the important initiative, and I am pleased that it received unanimous all party support for royal assent.

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Budget 2008 also announced \$10 million in funding to promote Canada's forestry sector in the international markets as a model of environmental innovation and sustainability. The Forest Products Association of Canada applauded this measure noting that the budget:

—recognized that Canada is a world leader in the manufacturing of high-quality, environmentally sustainable forest products, which will be in high demand as the middle classes in Asia grow and consumers insist on planet-friendly products.

Also of interest to northern Ontario is the provision in budget 2008 to extend the mineral exploration tax credit, an incentive available to individuals who invest in flow-through shares that are used to finance mining exploration, intended to assist companies raise capital for exploration.

Also related to the mining industry was the \$34 million provided for geological mapping to support economic development.

It is little wonder that the Prospectors and Developers Association of Canada thanked the Conservative government for such measures, measures which will “Canada remains a world leader in mineral exploration”.

Even the member from Thunder Bay—Rainy River liked the aforementioned aspects of budget 2008, noting that he “likes that there is positive news for the mining sector in the region”.

I accordingly would hope that the Liberal member would stand up and vote in favour of budget 2008 and its positive news for the Thunder Bay—Rainy River region.

• (1830)

Mr. Ken Boshcoff: Mr. Speaker, I would hope the hon. member would never think that if there were a good thing the government would do, that I would not recognize it.

I want him to know that the natural resources committee was instrumental in advancing the community development trust fund from next July to now. When members of the committee met with the deputy minister of natural resources at the hearings, she did not know any of the details. It was then that we found out the money was coming from intergovernmental affairs and Treasury Board.

Today, the members determined that the fund would be inadequate and not just for forestry. We would hope the money would go to more than just certain communities. We feel it should be allocated only for forestry. The fact that the provincial governments and territories only have one month to come up with some ideas as to how they would utilize this is also rather short.

When I offer these criticisms, they are meant for the government to take them to heart so it can come back and be reasonable, positive and generous to the forest industry.

Mr. Ted Menzies: Mr. Speaker, while budget 2008 provided significant support for the forestry sector, since taking office, we have already provided numerous instances of initiatives directly benefiting the sector, including: concluding a softwood lumber agreement, restoring access to the U.S. market and resulting in the return of over \$5 billion in duty deposits to Canadian producers; investing \$127.5 million in the forest industry long term competitiveness initiative to support innovation and assist the forestry sector to shift toward higher value products to tap into new markets; and,

establishing a \$25 million forest communities program that will assist forest based communities to make informed decision making on the forest land base.

Clearly, through those actions and budget 2008, this Conservative government is signalling its support for Canada's forestry sector.

• (1835)

OFFICIAL LANGUAGES

Mr. Brian Murphy (Moncton—Riverview—Dieppe, Lib.): Mr. Speaker, yesterday, I asked the Minister for Democratic Reform about the demand for court costs currently being sought in a case taking place this week in Fredericton, New Brunswick, in front of a Federal Court trial judge.

That case, for anybody who has been around the official languages scene for some time, challenges the government's decision with respect to the elimination of the programme de contestation judiciaire, or the court challenges program.

At first instance, people might wonder why we would not demand costs in a litigious situation from parties if they were not to be successful. In terms of outlining how these things work, it is very clear that in civil litigation that is the rule. However, in public interest litigation, which is where the cause is being presented before the court, the practice is that the government does not ask for its costs in a case where a true policy argument is being presented, such as in most of the constitutional cases.

We know that some \$15,000 to \$20,000 could be at stake should the parties be unsuccessful. We pray on this side that they will not be unsuccessful but that is for the courts to determine. However, the \$15,000 to \$20,000 will be borne by the francophone groups, the minority linguistic groups, who are bringing this case. The lawyers are working on a pro bono basis in this public interest matter.

Just so members know that I am not making this up, I want the parliamentary secretary to know that in the case of *Arsenault-Cameron v. Prince Edward Island*, the court costs were not asked for by the government. That was a very important case brought under the rubric of the programme de contestation judiciaire. It was very instrumental in enforcing the section 23 charter rights of the community in and around Summerside, Prince Edward Island, to have a French language school in their community, as is guaranteed by the charter. The case was successful, but what is important is that the government did not ask for its court costs.

There are a number of other court cost situations involving the federal government going back to Operation Dismantle involving the interpretation of section 7 of the Charter of Rights and Freedoms. It has been the practice.

Adjournment Proceedings

The simple question I put to the Minister for Democratic Reform was why he was ignoring the custom of the Canadian government, the Department of Justice and, in fact, the people's representatives before the courts. Why should the court costs be sucked like blood out of the pro bono groups trying to promote public interest cases? Why are they ignoring the case of Doucet-Boudreau v. Nova Scotia? Why are they ignoring the case of Société des acadiens et acadiennes du Nouveau-Brunswick Inc., et al. v. Her Majesty the Queen, et al. 2006? Also, why is it that they seem to be so hurt by the programme de contestation judiciaire?

We know this program was cut in the Mulroney years. That seems to be a name that is banded around the House a bit more often these days. The Conservatives do not like the program and they are doing through the back door what they are also trying to do through the front door, which is to eliminate the program. Anybody who says that it is a good program, may I say Montfort, Montfort, Montfort.

It may be a bad thing in the Conservative psyche, but it does not change the practice of the Department of Justice and the Government of Canada in not seeking court costs in public interest cases. Why did the government do this?

Mr. Pierre Lemieux (Parliamentary Secretary for Official Languages, CPC): Mr. Speaker, I am pleased to have this opportunity to respond to the question of the member for Moncton—Riverview—Dieppe regarding the court challenges program and the government's commitment to official language minority rights.

As we know, the court challenges program is in front of the courts right now. It would not be appropriate to comment on the court challenges program. The member's question pertaining to litigation costs will also be determined by the court. I think it is best to let the courts do their job, hear the case from both sides, provide a ruling and also rule on who should be responsible for which costs.

Regarding the government's commitment to official language minority rights, however, I would like to elaborate.

[*Translation*]

Our government has clearly and repeatedly shown its commitment to fostering the development of official language communities throughout Canada. Our government's objective is to tangibly and positively improve the lives of Canadians. This approach also applies to language rights.

A number of our government's initiatives enable official language minority communities to exercise their rights in their day-to-day lives. Examples of this are programs that ensure access to health care in French, as well as the great progress made in terms of education, from the elementary level to the post-secondary level, to allow members of our communities to study in their first language.

• (1840)

[*English*]

I would like to remind members that in our last budget, in 2007, our government invested an additional \$30 million over two years to support francophone and anglophone minority communities across Canada and to promote linguistic duality. These additional resources are supporting very concrete projects that target areas such as youth, media, culture and education.

As well, in the Speech from the Throne that we delivered in October, we announced that we would propose a strategy to implement the next phase of the action plan on official languages.

[*Translation*]

Our government is committed to our official language minority communities.

[*English*]

Mr. Brian Murphy: Mr. Speaker, it is ironic when we talk about the official languages scenario in this country. The Official Languages Act has an action plan that in fact has the name of the Leader of the Opposition attached to it. It had commitments of \$750 million committed to it. During many of the speeches made by our leader, it is very clear that he is committed to funding it.

The Conservative government has not funded it. In the new budget there is no money. The Conservatives recently have been panned, if the parliamentary secretary wants a copy of *L'Acadie Nouvelle*, by the Fédération des communautés francophones et acadienne, for not providing any money.

To go back to the point, the parliamentary secretary misunderstands the question. The question was, why did the government ask for costs? Clearly the courts can award costs if they wish. They are not likely to award costs if they are not asked to award costs. In this case, they were asked for the first time in a public interest case in the history of the Department of Justice—

The Acting Speaker (Mr. Royal Galipeau): The hon. parliamentary secretary.

Mr. Pierre Lemieux: Mr. Speaker, I would like to comment on some of the remarks my colleague made. Let us talk about funding for official language communities. When the Liberals were in power, they reduced funding for official language communities by \$100 million between 1994 and 1999. In contrast, our government could have spent \$750 million under the current action plan, but instead we are going to spend over \$800 million in support of official language communities across Canada, an increase of over \$50 million.

As I mentioned, in our budget 2007 we announced \$30 million for our official language communities and how did that member vote? How did the Liberal Party vote when we announced this extra \$30 million? They voted against this positive measure to support our official language communities.

DARFUR

Mr. Paul Dewar (Ottawa Centre, NDP): Mr. Speaker, my comments tonight have to do with the situation in Darfur. It is a situation that has been debated in the House many times. I am following up on a question I asked in the House regarding the government's commitment to the UN peacekeeping mission in Darfur.

Adjournment Proceedings

The situation in Darfur is again getting worse. Since the beginning of this year, the United Nations has taken over the Darfur peace force, but within days of that Sudanese troops fired on a convoy of UNAMID, the African Union-UN hybrid mission. Sudanese government planes bombed rebel positions in West Darfur, turning some of those areas into no-go zones for aid workers.

Just days ago the commander of the UN-African Union peacekeepers in Darfur said more troops are urgently needed in West Darfur. The UN mission has begun after more than four years of devastation and desperation. It has taken over from a AU mission, whose limited mandate and resources failed to stabilize the situation in Sudan.

In order for the UN peacekeeping mission to successfully go ahead at its full capacity, it needs airlift and helicopters. The UN Secretary-General said the mission will be put at great risk if it does not receive the helicopters it needs. The head of the UN peacekeeping department told reporters the force needed 6 attack helicopters and 18 transport helicopters. He said, "I think it tells a sad story on the commitment for Darfur, frankly".

I asked government officials in committee if Canada would be providing helicopters for the new UN mission. The answer was a flat no. To be precise, on November 27, 2007, I asked Mr. Edwards, then deputy minister of the Department of Foreign Affairs, "Are we providing helicopters for that mission?" He answered, "We will not be".

So I asked the minister if he could tell the House and Canadians what the government would do for the new UN mission. He had no answer for me. On November 28 I asked the minister:

Could the minister tell the House and Canadians what the government is going to do for the new UN mission?

The minister replied:

Mr. Speaker, we are working together with the African Union and with the UN forces to ensure that this country can find the path to peace and democracy. We are working on it. The negotiations began on October 27 and we were there to promote our common values of democracy and peace.

This obviously did not address my question which was very precise and specific. I was asking if we were going to be providing more resources, specifically helicopters, to the new UN hybrid mission, the peacekeeping mission in Darfur.

I asked the minister yet again in my follow up question:

Could the minister tell the House and Canadians why the government is not going to provide support for the new UN mission? That is the question. What is the answer?

The reply from the minister was:

Mr. Speaker, we support the current activities in Africa.

I was talking about Sudan.

We are there with the other UN countries. We have a presence among the UN forces and we are working with the African Union forces to help—

• (1845)

The Acting Speaker (Mr. Royal Galipeau): Order. It is with regret that I must interrupt the hon. member, but his time has expired.

The hon. Parliamentary Secretary to the Minister of Foreign Affairs has the floor.

Mr. Deepak Obhrai (Parliamentary Secretary to the Minister of Foreign Affairs, CPC): Mr. Speaker, I would like to thank the hon. member for Ottawa Centre for his question.

The Government of Canada remains deeply concerned about the situation in Sudan and Darfur.

Canada's approach toward Sudan is three pronged. First, we are using diplomatic channels to pursue sustainable political solutions to address the root causes of the conflict. Second, Canada provides humanitarian reconstruction and peaceful assistance to the affected population. Third, Canada supports both the United Nations peacekeeping missions in Sudan, UNMIS in southern Sudan and UNAMID, and a UN-EU hybrid peacekeeping force in Darfur. As part of a coordinated international effort, Canada's support to Sudan on the peacekeeping front has totalled over \$440 million since 2004.

Specifically with respect to the member's question about helicopters and all these things, I would like to advise the member that in September of last year I attended a high level conference on Sudan at the United Nations, which was called by the Secretary General, Mr. Ban Ki-moon. It was to talk about the UN hybrid force and the UN mission in Sudan. There are 26 countries over there as well. All these countries were working together to ensure that this force could take off.

What my hon. colleague has to understand is that the UN peacekeeping force by itself is run by the UN. The UN has its own way of running the UN peacekeeping force. To do that, it is up to the UN to request from its member states what it wants to do.

We offered the UN the helicopters that we had already purchased or we had already leased which were given to the African Union. We offered to the UN the same helicopters to carry on and they accepted that during the period of transition while they were looking to other sources for what they needed. The UN has now advised us that they no longer need those helicopters and have thanked Canada for its contribution.

However, as it was explained in the committee today, under the UN all member state countries are assessed for peacekeeping operations. Canada will also be assessed. Canada will be there to provide that money to ensure that hybrid force carries on.

Additionally, there are 50 personnel currently working there supporting the UNMIS and UNAMID peacekeeping missions in an effort to bring security and stability to Sudan. In addition, there is the loan of 105 armoured personnel vehicles that were used by troop-contributing countries and will be used in UNAMID. Canada is there.

Canada believes that full implementation of the CPA agreement signed in 2005 represents the cornerstone of efforts to achieve a lasting peace for all of Sudan.

Adjournment Proceedings

I do understand my colleague's concern. We are all concerned in Canada about the situation in Sudan. I can assure him that this government, with the help of the opposition as well, as discussed with me in the foreign affairs committee will continue to provide all the needed support for this peacekeeping mission in Sudan. However, we also will continue working toward bringing the parties to the table to talk about peace.

•(1850)

Mr. Paul Dewar: Mr. Speaker, I thank the parliamentary secretary for his response, but I do not think he quite understood my question. It was about the new mission, the 1769. In committee I very specifically asked the deputy minister will we be supplying helicopters to the new mission. For his edification, the new mission to him was 1769. He said, "No, we will not be". He is talking about the transition. I am talking about the new mission.

I would like to know from the government and from him, if the UN requested helicopters tomorrow, be it the ones we have here or perhaps ones we could lease, would the government acknowledge that and would the government supply the resources for that request?

Further to that, it is clear from everyone who is following the conflict in Darfur that we must not at any time give any indication to the government of Sudan that we are not going to resource and not going to fully implement 1769. As he knows right now there is not sufficient—

The Acting Speaker (Mr. Royal Galipeau): The Parliamentary Secretary to the Minister of Foreign Affairs has the floor.

Mr. Deepak Obhrai: Mr. Speaker, again, I want to tell my hon. colleague that we are committed to supporting UN resolution 1769 and the UN hybrid force.

As I have stated, and he must understand this, the request to member states will come from the UN peacekeeping centre as to when and how it wants to do it. Therefore, when the request is made, at that given time, Canada will evaluate its situation to see how we can best supply what the UN is requesting, with the resources that are available in Canada.

The decision will be made when the request is made. However, I can assure him and Canadians that this government is fully supportive of the UN mission in Sudan.

[*Translation*]

The Acting Speaker (Mr. Royal Galipeau): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6:54 p.m.)

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