

No longer combative, Harper calls for co-operation in drafting federal budget

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MONTREAL - Prime Minister Stephen Harper offered his political rivals an olive branch Friday as he dialed down last month's heated parliamentary rhetoric and promised a conciliatory approach to a coming federal budget aimed at helping the ailing economy.

The friendly, co-operative tone came as a new poll suggested a resurgent Liberal party under new leader Michael Ignatieff, who was himself pledging to hold the governing Conservatives to account with a pre-budget wish list of his own.

"Now is the time for everybody...to try and reach consensus if that's possible, but especially to try and work together - federally, provincially, internationally, across party lines - to deal with the problems that everybody knows are urgent and large," Harper said

Harper said he hopes to meet soon with Ignatieff and that final decisions on what will be in the Jan. 27 budget would be made shortly after next week's meeting with provincial premiers.

Now is not the time for "parliamentary games," Harper said - a vague reference to the parliamentary storm that erupted when the opposition sought to overthrow the Conservatives by forming a coalition government under the leadership of former Liberal leader Stephane Dion.

The failed attempt stalled government businesses at a time of economic uncertainty and led to Dion's resignation.

"I hope to see from the Opposition any realistic and timely proposals that they have, because now is the time to put those on the table," Harper said. The government cannot "underestimate" the situation and will be devising a plan that could extend for three to five years, he added.

Nor, if a new Nanos Research survey provided exclusively to The Canadian Press is any indication, can the Tories afford to underestimate their principal challengers.

The poll pegged Liberal support at 34 per cent, one point ahead of the Conservatives and eight points clear of the Grits' dismal showing in the Oct. 14 election under Dion.

In Halifax on Friday, Ignatieff said the budget must meet the goals he's set out in what he called his "national interest test."

"Are you going to protect the vulnerable?" he asked. "Are you going to get infrastructure targeted in the right place? Are you going to invest in the economy so we can get out of this faster?"

Ignatieff noted there's a case to be made for including more military spending in the budget as part of a broader stimulus package. He wants to see Canadian shipyards repairing Canadian vessels, for example, and the beleaguered auto sector "take up the slack with some military contracts."

Harper said the budget will contain measures aimed at dealing with the economic challenges but that it

will also contain opportunities.

He said it's imperative that the measures unveiled in the government's poorly received economic and fiscal statement tabled in late November be implemented as soon as possible.

The measures include giving additional credit to the business development bank, addressing the needs of the financial and manufacturing sectors, helping retirees and improving the management of pension plans and helping retirees.

"Those are all things we can't delay on any longer," Harper said after meeting with a dozen of the province's top business executives as well as leaders of various ethnic communities.

"We need to get on with passing those measures."

Harper had similar "cordial" meetings on the economy with Dion and other party leaders last November prior to the new parliamentary session.

But things quickly turned bitter and led to the proposed Liberal-NDP-Bloc coalition that threatened to topple the Tory government.

Harper's and Ignatieff's comments came on the same day that Statistics Canada reported that 34,400 jobs were lost in December and that the unemployment rate rose to 6.6 per cent from 6.3 per cent in November.

Harper called the higher unemployment numbers "troubling" but said the country is well-placed to come through the tough times relatively intact.

"Canada has some very real strengths in terms of our national finances, in terms of our labour force, our infrastructure, that are already better than other countries," he said.

"And although we will have to do extraordinary measures, we should be able to use those measures to mitigate against some of the employment losses we are seeing and to emerge stronger than ever."

The business executives who met with Harper included Pierre Beaudoin of Bombardier Inc. and Power Corp's Paul Demarais.

Sources inside the meeting say Bombardier pushed for high speed train service between several Quebec and Ontario cities, while other leaders urged the government to reinvest in the Employment Insurance program.

Jobs were also on the mind of Finance Minister Jim Flaherty on Friday

"We're in for a very difficult year; we regrettably are going to have to expect continuing job losses in Canada," he said in Thornhill, Ont.

The government will "need to respond to the needs of people who will lose their jobs this year."

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