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## Ottawa respects Atlantic accords

By JIM FLAHERTY

**EDITOR'S NOTE:** *This opinion piece from federal Finance Minister Jim Flaherty originally appeared in Saturday's edition of The Chronicle Herald.*

I often wonder how an urban myth comes to be treated as fact. I suppose if people repeat it or read it often enough, they assume it must be true. That certainly appears to be the case when it comes to our government's budget and its treatment of the Atlantic accords.

Whether it has been through elevated political rhetoric or selective reporting in the media, some people have been left with the impression that they are in some way being shortchanged.

Let me be clear, Canada's New Government is honouring the Atlantic accords fully in its budget. Nothing has changed from what was signed in 2005. Nothing has been taken away from the province.

Our budget provides two positive options for Nova Scotia and Newfoundland & Labrador. They can stay with the current arrangement or opt into the new equalization formula. It is their choice.

Nova Scotia has opted into the new equalization formula for this year and gained an extra \$95 million in federal transfers. That's \$95 million more to fund the priorities that matter to the residents of Nova Scotia, such as health care, education and infrastructure like roads, harbours and public transit.

Budget 2007 does more than just provide additional equalization money to Nova Scotia. Just look at the benefits it brings:

- \$42.5 million for the cleanair and climate-change trust fund;
- \$24.2 million for the patient wait-times trust;
- \$7.1 million more for new child care spaces;
- \$30 million more each year for social assistance and postsecondary education, with an automatic three per cent increase each year;
- \$14 million annually for labour market training starting in 2008-09;
- \$8.5 million for a life-saving vaccination for girls and women to prevent cervical cancer;
- Over \$63 million a year for infrastructure spending, plus more for Atlantic Gateway funding;
- \$15 million for a new Life Science Research Institute at Dalhousie University. Nova Scotia taxpayers and families will also benefit from more federal tax relief from a new working income tax benefit worth \$17.8 million, a new child tax credit worth \$39.6 million, and a change to the basic spousal amount worth \$8.3 million.

It's no wonder CumberlandColchester-Musquodoboit Valley MP Bill Casey said good

things about the budget, telling the Truro Daily News, "I have never seen a budget that has had more in it for the people in my riding than this one does."

Equalization is a complex issue, as Mr. Casey admits. It is regrettable that he failed to take the time to fully understand how the budget respects the Atlantic accords before casting a vote against his own government.

Over the past few weeks, members of the Atlantic caucus and our entire government have been working diligently towards the same goal: ensuring the people of Nova Scotia and Newfoundland & Labrador realize the full benefits of the Atlantic accords.

But there should be no misunderstanding: Our government is not in the process of making any side deals for a few extra votes. You cannot run a country on side deals. Equalization has been restored to a principles-based program for the first time in many years. That's what all premiers asked us to do and that's what all Canadians expect us to do.

Every decision we make will be made in the best interests of all Canadians, including the good people of Nova Scotia and Newfoundland & Labrador.

As for the urban myth, it's time to let this one drift off into the sunset.

The fact that our government is fully respecting the Atlantic accords, while lacking a certain sense of controversy, can no longer be ignored for the sake of a sharp soundbite or a bold headline. It is simply incorrect and irresponsible.

*Jim Flaherty is Canada's minister of finance.*

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