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Wednesday, June 8, 2005



THE HONOURABLE SHIRLEY MAHEU
SPEAKER *PRO TEMPORE*

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THE SENATE

Wednesday, June 8, 2005

The Senate met at 1:30 p.m., the Hon. the Speaker *pro tempore* in the chair.

Prayers.

SENATORS' STATEMENTS

THE AGA KHAN

CONGRATULATIONS ON BEING AWARDED THE COMPANION OF THE ORDER OF CANADA

Hon. Mobina S.B. Jaffer: Honourable senators, this week Canada has hosted His Highness Prince Karim Aga Khan, the forty-ninth hereditary Imam of the Shia Imami Ismaili Muslims.

His Highness the Aga Khan is well known to many in Canada as a champion of international development through the Aga Khan Development Network, which he launched in 1967. His work is well known, not only by his followers but also by many Canadians involved in the work to promote peace in the world and eliminate poverty and suffering.

To those of us in the Ismaili community, he is known as Hazar Imam — the present Imam — and has guided us as our spiritual leader through his example of peace, understanding and compassion since he succeeded his grandfather, Sultan Mohammed Shah, in 1957 at the age of 20. The Aga Khan is a direct descendant of the Prophet Muhammad, may peace be upon him, through his daughter Fatima, and her husband Ali, the first Shia Imam.

On Monday, June 6, I had the honour to attend a private ceremony at Rideau Hall where Her Excellency the Right Honourable Adrienne Clarkson, Governor General of Canada, presented His Highness the Aga Khan with the insignia of Companion of the Order of Canada.

As honourable senators know, the Order of Canada is our country's highest non-military honour. It is a great honour for any Canadian to be named as a companion, the order's highest designation. It is awarded to those demonstrating the highest commitment to Canada and humanity.

For a non-Canadian to be awarded the honorary appointment of Companion of the Order of Canada is an extremely rare tribute. His Highness the Aga Khan joins with only four others who were not citizens at the time of their investiture: Her Majesty Queen Elizabeth, the Queen Mother; the former President of the Czech Republic, Václav Havel; former United Nations Secretary-General, Boutros Boutros-Ghali; and former South African President and honorary Canadian citizen, Nelson Mandela.

Her Excellency the Governor General noted that His Highness personifies cherished Canadian values when she said the following:

His Highness the Aga Khan has devoted his life to protecting the environment and alleviating human suffering due to poverty.

Honourable senators, I am making this statement today as a very proud Canadian. This week, my spiritual leader has become an honorary Canadian, and I know that all my honourable colleagues will join me in welcoming him and recognizing his contribution to Canada and the world.

THE GLOBAL CENTRE FOR PLURALISM

Hon. Donald H. Oliver: Honourable senators, I wish to associate myself with the remarks just made by Senator Jaffer, and I, too, was honoured to be present when His Highness the Aga Khan announced the creation of a landmark initiative for promoting diversity and peace, the Global Centre for Pluralism, to be built next to the delegation of the Saudi Arabian embassy on Sussex Drive in Ottawa. Construction is expected to start later this year.

The Global Centre for Pluralism will be a non-denominational, not-for-profit, non-governmental research and education institution. The centre will promote pluralistic values and practices in culturally diverse societies worldwide to ensure that every individual has the opportunity to realize his or her full potential as a citizen, irrespective of cultural, ethnic or religious differences.

In his remarks on Monday, His Highness said he selected Canada as home to his new Global Centre for Pluralism because our country's experience with pluralism is a global asset which must be shared for the benefit of the world. He also referred to Canada's leadership among Western countries and the seriousness and respect it accords to the world of Islam and other world religions.

Honourable senators, this new centre will complement the work contained in the recent report of the Conference Board of Canada entitled, "Business Critical: Maximizing the Talents of Visible Minorities — An Employer's Guide," which proved that when it comes to promoting pluralism and diversity, Canada can be a leader.

This recent announcement by the leader of world peace, His Highness the Aga Khan, will help break down barriers that keep our nation from becoming a truly pluralistic country.

This centre is another example of His Highness the Aga Khan's extraordinary legacy of promoting peace and diversity.

WORLD ENVIRONMENTAL DAY

Hon. Joseph A. Day: Honourable senators, Sunday, June 5, marked the thirty-third annual World Environmental Day. World Environmental Day was established by the United Nations General Assembly in 1972 and is one of the principal vehicles through which the United Nations stimulates worldwide awareness of the environment and enhances political attention and action.

This year's theme is green cities. The United Nations hopes that nations will stage events on environmental issues to help those issues become more understandable to their citizens and empower people to become active agents of sustainable and equitable development.

In addition, the United Nations wishes to promote an understanding that communities are pivotal in changing attitudes towards the environment. We have heard a lot about the Kyoto Protocol which came into force in February of this year, primarily the focus on the reduction of greenhouse gases. There was also a lot of discussion in the past with respect to energy conservation.

Honourable senators, I had the privilege of participating in the Asia-Pacific parliamentary conference on renewable energy, another area in the environmental field that is very important, and the concept of exchanges of technology and the development of new technologies in relation to renewable energies. This conference was held in conjunction with the thirteenth annual congress for Asia and the Pacific held in Gifu City in Japan.

There are many initiatives we can take with respect to environmental issues. One of them was promoted by the minister of the environment for Japan, and the program is called "Cool Biz." It is an effort to encourage the reduction in costs of air conditioning by encouraging people to remove their neckties and jackets.

• (1340)

We were challenged by the Honourable Senator Banks yesterday to come up with new ways of showing our environmental awareness. Honourable senators may wish to consider joining the Cool Biz program.

GIRL GUIDES OF CANADA

NINETY-FIFTH ANNIVERSARY CELEBRATIONS

Hon. Nancy Ruth: Honourable senators, as the senator from Cluny, Ontario, I am pleased to report on the success of the recent ninety-fifth anniversary celebrations of the Girl Guides of Canada.

On May 28 and 29, all across Ontario, members of the Girl Guides of Canada, a movement of girls and women that challenges members in their personal development and empowers them to be responsible citizens, celebrated the organization's ninety-fifth anniversary.

Girl Guides is the largest organization for girls and women in Canada, with almost 135,000 members — over 108,000 girls aged five to 17 and over 26,000 women.

In Toronto, on Sunday, May 29, about 3,300 Girl Guides participated in a children's march from the Royal Ontario Museum around Queen's Park and the legislative buildings, held a picnic with traditional games and activities, and celebrated the fact that this incredible organization for girls and women is 95 years young.

Toya Alexis, a recent *Canadian Idol* finalist and Plasma recording artist, performed for the crowd and encouraged the girls and women in attendance to continue their important efforts in the community. Ms. Alexis became an honorary member of the organization to support the valuable role that the organization plays in building self-esteem in women and fostering their belief that they are capable of achieving their dreams.

In celebration of 95 years of community service, the Toronto event featured a donation of over \$3,500 from the Girl Guides to the Children's Wish Foundation to help fulfill the wishes of children diagnosed with a high-risk, life-threatening illness.

I commend the efforts of the Girl Guides of Canada, extend my best wishes for their ninety-fifth anniversary, and look forward to their one-hundredth anniversary in 2010.

[Translation]

THE ENVIRONMENT

Hon. Madeleine Plamondon: Honourable senators, what progress are we making in our battle for a better environment? Should we be celebrating or despairing? A bit of both, I would say. The media coverage during Environment Week is hitting the high points and the low points, which gives us a chance to take a look at our individual and collective conscience.

It also gives us a chance to take hope, since governments, corporations and individuals are all making encouraging progress.

[English]

For example, in Ontario, tough new legislation will ensure that the largest polluters pay penalties of up to \$100,000 a day. A new magazine called *Plenty* aims to show consumers how they can also be environmentalists.

[Translation]

In late June, the Société des alcools du Québec will start using biodegradable plastic bags in its outlets. Students of the Collège Mont Notre-Dame, in the Eastern Townships of Quebec, wrote the management of a shopping mall, lobbying for aluminum can recycling bins to be installed. When aluminum is recycled, there is a saving of up to 95 per cent of the energy that would be required to produce it from scratch. New Brunswick is looking into recycling paper cups.

However, we must not rest on our laurels! Every year, 1 billion kilos of toxic waste are choking our Great Lakes. The government would be wrong to claim the condition of the Great Lakes has improved.

As well, smog kills 1,600 people in Montreal and Toronto every year.

The people of Gatineau are still having drinking water problems.

[English]

Moreover, in Kingston, environmental groups want the ministry to do something about the decades-old practice of discharging raw sewage into waterways.

[Translation]

Finally, a report in *Le Devoir* says that 11 academies of science — those of the G8 countries plus the three largest developing countries — namely China, India and Brazil — have signed a joint declaration stating that a worldwide action plan must be set in place immediately to address the global threat of climate change.

Advances have been made, but the battle is far from over.

[English]

QUESTION PERIOD

CANADA-UNITED STATES RELATIONS

NORTH DAKOTA—DEVILS LAKE DIVERSION

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, my question is directed to the Leader of the Government in the Senate and concerns the Devils Lake diversion project in North Dakota.

Last week the Supreme Court of North Dakota acknowledged that the Devils Lake outlet will likely degrade water quality in the Red River but, nevertheless, denied Manitoba's bid to stop construction of the outlet. In a conversation with President Bush last Wednesday, Prime Minister Martin reiterated Canada's desire to see this project go to review by the International Joint Commission.

Is the government optimistic that the Bush administration will respond affirmatively to Canada's request? If not, what details can the leader give us with respect to other legal avenues that the government is considering?

Hon. Jack Austin (Leader of the Government): Honourable senators, we all acknowledge the importance of the issue Senator Stratton has raised, first, to the water quality of Manitoba's river systems and, second, to Canada-U.S. bilateral relations.

Honourable senators may be aware of a news report today that the Governor of Ohio, Bob Taft, has delivered a letter to Secretary of State Condoleezza Rice asking the United States to agree to the terms of a joint reference to the International Joint Commission. At this stage of the process in the United States, a number of American authorities are finally addressing themselves to this issue and its larger significance.

I cannot report to the chamber either optimism or pessimism with respect to whether the United States government will take action to create a joint reference. At the same time, I am not in a position to advise what further steps the government would take if a joint reference is not acceptable.

• (1350)

Senator Stratton: The worry and concern is over the potential opening of the Devils Lake diversion on July 1, 2005. Could the Leader of the Government in the Senate please expand on the additional steps being taken to monitor the water quality of the Red River in preparation for possible claims of environmental damage? The July 1 diversion is ever closer.

Senator Austin: Honourable senators, I understand that baseline scientific work is being done to determine what depreciation of water quality might occur. Canada and Manitoba are taking the position that parasites found in the Devils Lake system are not found in the Red River system and would act in a deleterious way against native organisms in the Red River. These cases have to be documented, and that is one of the purposes of the joint reference to the IJC. In that way, a common, factual base derived from life organisms would be used to understand the level of degradation.

Of course, other issues relate to the level of water, the timing for the release of water, whether there should be an absolute bar to any diversion, and whether a diversion regime in the U.S. could take place without any degradation to the Canadian water system.

INDUSTRY

DEBIT CARD FRAUD

Hon. Donald H. Oliver: Honourable senators, I have a follow-up to a question I asked of the Leader of the Government in the Senate two weeks ago. Last week, it was reported that 4 per cent of debit card users — 760,000 Canadians — were victims of debit card fraud in the past year. In fully one third of the cases, the relevant bank refused to reimburse the victims for their losses, which raises a significant public policy issue. We learned this as a result of a poll conducted for Industry Canada by Environics last fall as part of a broader review of consumer protection in the world of electronic banking. Could the government leader advise the Senate whether this study is only for the sake of a study or whether the government is looking at a legislative response to the problem of debit card fraud?

Hon. Jack Austin (Leader of the Government): Honourable senators, the government is seized of the debit card fraud issue and the issue of the theft of personal identity. I cannot advise the chamber on the government's ongoing decisions. I believe the question will have to wait awhile for any positive answer.

Senator Oliver: Last fall's survey was not the first time that Environics had been asked these questions on behalf of Industry Canada. The previous survey was in the first quarter of 2003, more than two years ago, and netted similar results. First, could the Leader of the Government advise the Senate why Industry Canada has paid to receive similar information about debit card

fraud twice over a period of less than two years? Second, how much did the survey cost? Third, what use was made of the initial survey in the winter of 2003? Fourth, were any specific responses planned in response to the most recent survey?

Senator Austin: Honourable senators, to the extent that I am able to provide answers, I take the questions as notice.

HEALTH

COMPENSATION TO HEPATITIS C VICTIMS

Hon. Ethel Cochrane: Honourable senators, my question is for the Leader of the Government in the Senate and concerns compensation for all tainted blood victims. Last November, the federal government announced that it would reverse its long-standing policy and would enter into negotiations to provide monetary compensation to those people infected with hepatitis C who were not included in the original compensation package. Keeping in mind last week's guilty plea by the Canadian Red Cross for distributing tainted blood, could the Leader of the Government in the Senate tell us if these talks have progressed? Are the pre-1986 and post-1990 tainted blood victims any closer to receiving the compensation that they have long deserved?

Hon. Jack Austin (Leader of the Government): Honourable senators, I cannot advance today beyond the answers I have given previously on the subject.

Senator Cochrane: The federal government has maintained since last November that before the issue of compensation for these people can move forward, it must learn the findings of the actuarial audit of the original hepatitis C compensation fund. This audit has been slated for release in June 2005 but reports suggest that it may be delayed. Could the honourable leader tell the house whether the federal government still expects to learn the results of the actuarial audit this month? An answer at a later date would also be appreciated.

Senator Austin: I cannot advise the chamber at this time.

[*Translation*]

SOCIAL DEVELOPMENT

EFFICACY OF SUPPORT PROGRAM TO COMBAT POVERTY

Hon. Jean-Claude Rivest: Honourable senators, on Monday, the National Council of Welfare released a report which is quite critical of the effectiveness of all Canadian social policies, and income support policies in particular.

The council talks about a disaster, with high public spending doing little to reduce poverty. The council called on the federal, provincial and municipal governments to review the entire situation.

My question for the Leader of the Government in the Senate is the following: Could the Government of Canada not conduct a full reassessment of its spending on income support to fight poverty, as it did successfully over the past six years with its fresh look at health care services?

[Senator Oliver]

Is it not time for Canada to strengthen its social security system, which should be one of Canada's top priorities?

[*English*]

Hon. Jack Austin (Leader of the Government): Honourable senators, I share with most senators in the chamber disappointment in the scorecard provided by the National Council of Welfare on the state of poverty and the remedial steps toward dealing with that subject by the federal and provincial governments. The facts set out in that report make it clear that a substantial number of Canadians have seen no benefit in the economic expansion that has taken place over the last decade. These people are dependent on various welfare programs, and I include seniors and other vulnerable people in that group, as well as the child care issue in Canada. Government will have to re-address the issue in a major way, as the honourable senator suggested. This is clearly a wake-up call. Canadians' values show a strong commitment to social fairness and social progress. When a well-based report card comes in and it is found that we have made no progress, government will have to focus on a response.

[*Translation*]

Senator Rivest: Will the Prime Minister of Canada put this matter at the top of his list of priorities for future meetings with the provincial premiers?

[*English*]

Senator Austin: I agree with the honourable senator's suggestion. Government has scheduled a review of the issue of social poverty in Canada and the efficacy of Canada's welfare programs. We, as a government, have scheduled that review this summer. Officials are working to present a current report card to us, which would include the information provided by the National Council on Welfare.

• (1400)

[*Translation*]

THE SENATE

CONFLICT OF INTEREST CODE— COMPOSITION OF REVIEW BODY

Hon. Marcel Prud'homme: Honourable senators, my question is for the Leader of the Government in the Senate. Soon, under the conflict of interest code for senators and in accordance with the decision by the Senate — which I respect — the government side will have to elect by secret ballot two senators to represent the government. I will comply with what was adopted. I do not agree with it, but I will comply with it. It was a decision by the Senate. Such is democracy. I will not repeat my objections. The official opposition will also have to elect two senators by secret ballot. Once the government and the opposition have chosen their senators, these four persons will have to choose the fifth member of the committee.

There are 11 of us independent senators. We are not opposition senators; we are independent senators. There are five Progressive Conservative senators, one New Democrat senator and five independent senators — a force of some strength. I note that elections will be held soon for both sides, but, to the best of my knowledge, none of us has been consulted — unless some are more privileged than others, which would not surprise me!

[English]

Would the leader indicate whether he has been approached one way or another? Already I know of three here who are totally unaware. I have conducted the same survey with others.

What is the intention with regard to the 11? We do not demand — I know the difference between “demand” and “request” — that our opinions be taken into account, but will we at least be canvassed privately as to our opinions? There will be 11 of us. That number may increase after the Prime Minister decides who will be appointed to fill the next 12 vacancies before Christmas. Perhaps then 15 or 18 of us will have no say and no representation.

I recognize that the Leader of the Government is a fine gentleman who enjoys equilibrium and harmony in this place. Harmony is what makes the Senate different from the House of Commons. Is it possible that we will know a little more than just being told that certain senators have been chosen — bang, two Liberals, bang, two Conservatives, and bang, bang, the four got together and agreed on, big bang, the fifth one, and tough luck for you?

Hon. Jack Austin (Leader of the Government): Honourable senators, this is not government business, but a question on the *Rules of the Senate*. Therefore, all I can say is that I am sure the honourable senator’s representations have been heard by the entire chamber and will be taken into account.

Senator Prud’homme: Honourable senators, I will not make a long speech on the definition of leadership, especially in light of the fact that the Leader of the Government in the Senate has held many high positions in the past and will again, perhaps, in the future. However, surely we should have some indication from the leadership. Some leadership should be shown. We will have to live with this decision for a long time. We want harmony and discipline. The word that I would leave with you for your reflection, honourable senators, is “harmony.” If we demonstrate harmony in the Senate, our behaviour will be in sharp contrast to the behaviour that is being exhibited in the other place, where I was happy to serve for such a long time.

Senator Austin: Perhaps, by way of explanation, I could say that the code of conduct that has been adopted by the Senate provides something unusual in this chamber, and that is an election of choice by the government caucus and the official opposition caucus.

Therefore, it is not the business of government, and I presume not the business of the Leader of the Opposition, to direct the choices. Those are made after a secret ballot and will be left to the judgment of the members of the government caucus and the official opposition caucus.

When the four are chosen — and I have no role to play except to cast a single ballot or two ballots, one for each of my choices — those elected have the authority, with no role played by myself nor Senator Kinsella in the choice of the fifth.

I believe the honourable senator has made the chamber aware of his representations.

[Translation]

DELAYED ANSWERS TO ORAL QUESTIONS

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I have the honour of presenting two delayed answers to oral questions raised in the Senate. The first is in response to a question raised by Senator Ringuette on May 5, 2005, regarding the citizenship status of spouses and children of veterans who married overseas.

[English]

The second delayed answer is in response to a question raised on June 1 by Senator St. Germain regarding Indian residential schools resolution, funding of settlements pending report of the government representative.

CITIZENSHIP AND IMMIGRATION

CITIZENSHIP STATUS OF SPOUSES AND CHILDREN OF VETERANS WHO MARRIED OVERSEAS

(Response to question raised by Hon. Pierrette Ringuette on May 5, 2005)

Access to Old Age Security (OAS) is not dependent on Canadian citizenship, but is dependent rather on time spent in Canada (i.e., residence). Individuals who were born outside Canada must provide evidence of having lived in Canada to determine eligibility for OAS benefits, whether the individual is a Canadian citizen or a permanent resident. Documents used by Social Development Canada as evidence of residence in Canada may include school records, passport stamps, plane tickets, etc.

To be eligible for OAS, applicants must also demonstrate that they are legally resident in Canada the day before their application is approved or that they were legally resident their last day in Canada if they are applying for OAS from outside Canada. Children born outside Canada to the brides of Canadian servicemen after World War II as the children of war brides, are Canadian citizens by birth, and may provide a citizenship certificate as proof of legal status in Canada.

To obtain proof of Canadian citizenship, children born outside Canada to the brides of Canadian servicemen must apply to Citizenship and Immigration Canada (CIC) for a citizenship certificate and must include in their application evidence they were born in wedlock (e.g., parents’ marriage certificate) and evidence their father was a citizen (e.g., father’s Canadian birth

certificate). First time applicants for proof of citizenship who do not have historical documents such as foreign marriage certificates in their possession may contact the relevant foreign embassy to obtain replacement documents.

PRIVY COUNCIL

INDIAN RESIDENTIAL SCHOOLS RESOLUTION— FUNDING OF SETTLEMENTS PENDING REPORT OF GOVERNMENT REPRESENTATIVE

(Response to question raised by Hon. Gerry St. Germain on June 1, 2005)

As mentioned in the Government's announcement of May 30th, 2005, our work with former Indian residential school students is continuing throughout the period of the discussions led by the Honourable Frank Iacobucci. The Government will continue to resolve cases in litigation or through the Alternative Dispute Resolution, or ADR, process — however former students choose to pursue their claims.

The department continues to streamline and make efficiencies in how it discharges its role in the ADR process, and has accomplished significant improvements since the beginning of this year. We have achieved significant efficiencies through automation, more focused validation efforts reducing the documentation needed for these claims, and continued cooperation with former students in the management of their claims.

At the same time, we have not reduced our ongoing and significant investment in the vitally-important 24 hour-a-day crisis intervention service and personal counselling available during the resolution process, as well as the form-filling support and financial support for travel and related expenses which are provided to former students to participate in the process. These services are an essential part of the safe and humane approach to claims resolution which the Government continues to take, and providing these services to former students represents a significant but necessary portion of the Government's expenditures.

We will not abandon those former students who have chosen the ADR process to resolve their residential school claim, and we will continue to support those former students to the greatest extent possible. I want to be clear that participation in the current ADR process will not prejudice the ability of former students to take advantage of benefits which may arise from the discussions led by the Federal Representative.

This Government is committed to finding fair and lasting solutions for resolving the legacy of Indian residential schools. We continue to make refinements to the ADR process and to our overall approach. The discussions to be led by Mr. Iacobucci are an important next step toward a lasting resolution of this often tragic legacy.

[Senator Rompkey]

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

PERSONAL WATERCRAFT BILL— NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO REFER DOCUMENTS FROM PREVIOUS SESSIONS TO ITS STUDY ON BILL S-12

Leave having been given to revert to Notices of Motions:

Hon. Tommy Banks: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That the papers and evidence received and taken by the Standing Senate Committee on Transport and Communications during its study of Bill S-26, concerning personal watercraft in navigable waters in the First Session of the Thirty-seventh Parliament, and the papers and evidence received and taken during the Second Session of the Thirty-seventh Parliament during the study of Bill S-10, and the papers and evidence received and taken during the Third Session of the Thirty-seventh Parliament during the study of Bill S-8, concerning personal watercraft in navigable waters be referred to the Standing Senate Committee on Energy, the Environment and Natural Resources for its study of Bill S-12, concerning personal watercraft in navigable waters.

[Translation]

ORDERS OF THE DAY

ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGIONS OF QUEBEC BILL

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Hervieux-Payette, P.C., seconded by the Honourable Senator Lapointe, for second reading of Bill C-9, to establish the Economic Development Agency of Canada for the Regions of Quebec.

Hon. Pierre Claude Nolin: Honourable senators, I am pleased to speak today in debate at second reading stage of Bill C-9, to establish the Economic Development Agency of Canada for the Regions of Quebec.

As Senator Hervieux-Payette mentioned, the aim of this bill is to create a distinct legislative framework for this federal agency, which is so vital to Quebecers.

Bill C-9 uses the same wording and structure as the Atlantic Canada Opportunities Agency Act, which many of you are familiar with. Known as Bill C-103, this legislation was passed in 1988.

There is also separate legislation for Western Economic Diversification Canada. Of the three regional development agencies, only WEDC is considered a department in its own right.

• (1410)

As we know, the federal government plays an important role in the economic development of the regions of Canada through the efforts of the three federal agencies I mentioned, all of which were created, I say with much pleasure but also humility, by the Progressive Conservative government of the Right Honourable Brian Mulroney.

For this fiscal year, 2005-06, these three agencies will have a budget of \$1.2 billion.

In 1998, the Economic Development Agency of Canada for the Regions of Quebec replaced the Federal Office for Regional Development-Quebec, which had been created in 1991.

According to the Report on Plans and Priorities for 2005-06 published by the agency, its budget has been set at \$444 million. Of this amount, almost \$406 million will be spent on grants and contributions for regional economic development, including \$98 million for support to businesses, \$69.5 million for improvement of the economic environment in the regions and, finally, \$228 million, the lion's share, for improvement of community infrastructure.

Honourable senators, during the last election campaign, unfortunately, some Liberal candidates tried, without much success, to unfairly frighten the residents of Quebec by saying that my party, the Conservative Party, would eliminate all federal regional development policies.

I would like to confirm today, honourable senators, that the Conservative Party, in the same way as the then Progressive Conservative government, supports a policy of regional development relying on the three federal agencies that I have just mentioned.

In our view, these three agencies are an important part of any overall strategy to help the regions take advantage of the opportunities offered by the new world economy.

Honourable senators, if you are not convinced of our commitment, I would like to draw your attention to the work done by Conservative MP James Moore and by our critic for regional development in Quebec, Josée Verner, during consideration of Bill C-9 in the other place.

Our colleague Senator Hervieux-Payette indirectly referred to their excellent work during her speech yesterday when she mentioned, quite properly, that, in its present form, Bill C-9 also reflects the desire of the Government of Canada and of Canada Economic Development. She said:

...to work in complementarity with what the Government of Quebec is doing.

She was referring, if I may clarify the point, to clause 10(2) of Bill C-9, which represents an amendment proposed by my party which was adopted by a majority of members in the other place.

Truth be told, the political party that I represent has always been conscious of the important role that the federal government must perform in the area of regional development to help overcome the disparities between regions and to promote the collective enrichment of all Canadians.

Having said that, I might add in passing that the Conservative Party, the instigator of the Canadian compact of 1867 on which the foundations of our federation rest, has always held that federal regional development policies must be designed to encourage the greatest possible cooperation with the provinces, to avoid unnecessary overlapping of programs and to maximize economic development opportunities for all regions of our country.

In that sense, the amendment proposed by the Conservative Party respected the philosophy developed by the Progressive Conservative government in 1984, through the federal strategy for economic development in Quebec.

That strategy emphasized that the actions of federal authorities should be guided by a willingness to work in cooperation with the government in Quebec, regardless of political stripe.

It was in that spirit that the Progressive Conservative government negotiated in 1984 the agreement on regional economic development that expired in 1994.

That agreement contained government commitments of \$1.4 billion, more than \$720 million of which came from the federal government, which made possible the modernization of Quebec's industrial structure, in particular, by supporting telecommunications and the pharmaceutical and aerospace industries.

These are all sectors where Quebec is now recognized as a world leader.

In the same vein, our colleague Senator Hervieux-Payette also stated that Bill C-9 gives the agency the means to, and I quote:

...design and implement mechanisms to facilitate cooperation with Quebec and its communities.

This time, she was referring to clause 11(1)(a.1) of Bill C-9. This is another amendment proposed by the Conservative Party that was adopted by members of the other place.

This last amendment is consistent with the position of the former Progressive Conservative government and to the original mandate of the Federal Office for Regional Development-Quebec, which was based on cooperation and partnership with the regions and the Government of Quebec for economic renewal and prosperity.

Honourable senators, I would now like to draw your attention to a third amendment to Bill C-9, which was adopted by the other place and came from my caucus.

Over the years, many observers have strongly criticized the various — and I emphasize “various” — governments in the federal Parliament for the use they have made of federal regional development agencies for partisan election or visibility purposes. They have done so with good reason. Given the enormous amounts of money allocated to these agencies, it was fair and normal that a government would want to get maximum visibility.

Between April 1 and May 16 this year, a time when the disturbing revelations of a commission I dare not name heightened the possibility of a spring election, government members and ministers announced that Quebec would be receiving, through the Economic Development Agency of Canada for the Regions of Quebec, a total of \$66 million in grants or subsidies for 19 initiatives.

One year earlier, between April 1 and May 20, 2004, shortly before a federal election was called we all know when, the federal government announced that it intended to finance 42 initiatives.

A quick comparison to illustrate my point: in 2003, only five announcements were made.

In light of the fact that the way Canadians perceive politicians has seriously deteriorated in recent weeks, and given that, in the name of democracy and respect for legislative institutions, it is absolutely essential that we, as parliamentarians, do everything in our power to reverse this tendency, the new subclause 5(3) in Bill C-9, an amendment which states that no grant or contribution shall be announced from the date that a federal election has been called until the day after voting day, may resolve in part the problem I just raised.

We do support the mandate of the Economic Development Agency of Canada for the Regions of Quebec, but we also believe that it should be depoliticized. The amendment I just quoted will help achieve this objective in part.

That having been said, in closing, while the media line published by the government following the introduction of Bill C-9 indicated that no changes were being made to the mandate or operation of the Economic Development Agency of Canada for the Regions of Quebec, I am pleased to see that my party improved this legislation to establish a federal agency that is more transparent and more respectful of the needs of the regions and industries of Quebec.

In that sense, honourable senators, I am convinced that Bill C-9 will find strong support on both sides of the chamber.

• (1420)

The Hon. the Speaker *pro tempore*: Are honourable senators ready for the question?

Some hon. Senators: Question!

[Senator Nolin]

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read second time.

[*English*]

REFERRED TO COMMITTEE

The Hon. the Speaker *pro tempore*: Honourable senators, when shall this bill be read the third time?

On motion of Senator Hervieux-Payette, bill referred to Standing Senate Committee on National Finance.

SPIRIT DRINKS TRADE BILL

SECOND READING—DEBATE ADJOURNED

Hon. Grant Mitchell moved second reading of Bill S-38, respecting the implementation of international trade commitments by Canada regarding spirit drinks of foreign countries.

He said: Honourable senators, it is a great pleasure for me to rise today to move second reading of Bill S-38, the Spirit Drinks Trade Bill. I am clearly not an expert in technology, and it may come as no surprise that neither am I an expert in agriculture. However, this is the second bill that I have had the pleasure of sponsoring or initiating in the Senate and both, believe it or not, are agricultural bills. In addition to that, I have also enjoyed membership on the Agriculture Committee and can only encourage others to enter into that realm of policy and to sit on that committee, because these are extremely interesting and important issues.

To the extent that I might appear to know anything at all about this subject, it would be because I have been briefed so well by members of the staff and members of the minister's department. I would like to mention, if any of them are here, that I appreciate their help greatly. It has been a tremendous support for me.

I fully support this legislation because I understand its importance to the economic well-being of the wine and spirit industries in Canada. As was the case with the first bill I introduced in the Senate, this bill implements certain international trade obligations that are relevant to the agriculture industry in this country.

It is clear that Canada is a trading nation, and a rules-based trading system is fundamental to the global economic competitiveness of Canadian industries.

[*Translation*]

Once Royal Assent has been given, Canada will have the necessary legislative tools to comply with the trade commitments we have so carefully negotiated under the agreement between Canada and the European Community on trade in wines and spirit drinks.

[*English*]

In addition to implementing provisions of the agreement between Canada and the European Community, this bill will also incorporate certain obligations under the North American Free Trade Agreement. These initiatives are part of the government's action plan to stimulate trade and develop new export markets for agricultural products.

It has been more than 15 years since Canada first signed a trade agreement with the European Community, in 1989, on wines and spirits. That initial agreement had a positive impact on the industry in Canada. However, European countries were concerned that it did not provide for the protection of names for their products. Subsequent to 1989 they sought an agreement that would include the protection of appellation of origin names for wines and spirits. Several years of informal discussions took place in response to the concerns expressed by members of the European Union. These discussions led to a formal bilateral negotiation process. In 2003, the Government of Canada, as a result of that process, signed a new agreement between Canada and the European Community on trade in wines and spirit drinks that included amendments to the 1989 agreement.

[*Translation*]

Honourable senators, the work of all those involved has produced some very positive results. All parties stand to gain from ratification of the agreement between Canada and the European Union.

[*English*]

With it, wine and spirit producers in both Canada and the EU have an agreement that gives them access to more trade opportunities and more stable trade rules. As well, consumers in Canada and the EU have access to a greater variety of wines and spirits than they had in the past.

I should say that in the process of preparing for this speech I did not try all the spirits and wines that are taken care of in this legislation, but I am absolutely certain that those that are Canadian will be the best in the world.

Honourable senators, the wine and spirits industries are very important to the Canadian economy. Canada has over 170 wineries that together generate more than \$400 million in sales every year, and Canada has 21 distilleries that produce over \$1 billion of spirit drink products each year.

This agreement is important to the producers in the Canadian wine and spirits industries. They see tremendous potential for growth as a result of the agreements, and they have been very supportive of the bill from the outset. It provides them, the industry and the Canadian economy with trade rules in the domestic marketplace, greater access to the EU marketplace, and

a framework to manage any potential grievances in a cooperative manner.

It achieves a simplified certification process for the export of Canadian wine. This reduces the uncertainty our industry has encountered in trying to access the EU wine market for quality Canadian wine, including ice wine.

It recognizes the international reputation of Canadian wines and signature Canadian whiskey through protection for Canadian geographical indications.

It reduces the threat that the EU would challenge Canadian provincial liquor board practices. This allows us to maintain existing provincial liquor board policies.

It bolsters Canadian export markets and Canadian agri-tourism, which are important to rural development in the grape-growing areas of Canada.

[*Translation*]

Canadians are pleased with the benefits yielded by the renewal of the agreement, but the point of view of European Union producers must also be taken into account.

- (1430)

[*English*]

The EU members consider that the renewed agreement provides a broader scope than its predecessor. Under the agreement, Canada makes commitments that will benefit EU wine and spirit drink producers. Through the Canada-EU agreement, we now recognize that the use of certain spirit drinks is exclusive to their country of origin — for example, ouzo from Greece and grappa from Italy. It is important to point out that Canadian distilleries do not produce those spirits that will receive protection through this agreement.

The bill before us today is specifically designed to provide the legislative basis required to uphold our end of this agreement — by protecting the names of those spirit drinks. This is necessary because drinks such as grappa, ouzo, jagertee, korn, pacharán — names that are specifically listed in a schedule attached to the bill — are not protected through other means, such as trademarks or geographical indication.

A geographical indication is the use of a name on an agricultural product that is specific to the geographical region where it originates. Typical examples include Bordeaux wine or Champagne. Under the trade agreement with the EU, Canada achieved in return protection for wine and spirit geographical indications such as Okanagan Valley, Niagara Peninsula and Canadian rye whiskey. A name such as ouzo, although it is clearly specific to a country of origin, does not fall into this category because it is not actually a place name. Therefore, it requires a different form of protection.

Trademarks can protect generic names for goods. However, the Trademarks Act provides private rights to protected names and, under the trade agreement with the European Community, Canada has committed to provide state-enforced protection for these names. This is why, honourable colleagues, we have the legislation before us today, the Spirit Drinks Trade Bill.

It is important to note this bill has also allowed us to incorporate some provisions of NAFTA to protect names such as tequila and bourbon and also previous trade agreements, such as protection for Caribbean rum under Canada's agreement with the CARIBCAN signatory nations, among others. Previously, these found a legislative basis in the Food and Drug Regulations. They will now be incorporated into this bill; a simple housekeeping measure.

[Translation]

This legislation has to be passed because it provides Canada with a legal mechanism to meet the trade obligations it has so carefully negotiated. In the context of the negotiations that led to the renewal of the agreement on spirit drinks and wines, Canada succeeded in obtaining from the EU many benefits which Canadian producers and consumers can enjoy.

However, to retain these benefits, we must make sure that we are in a position to honour our obligations to our trading partners.

[English]

Canadian wine producers and the Canadian spirits industry strongly support the implementation of the Canada Agreement between Canada and the European Community on Trade in Wines and Spirit Drinks. As well, both the Canadian Vintners Association and Spirits Canada have indicated they support the proposed legislation.

[Translation]

The provinces, the members of Canada's wine and spirits industry, and the federal government joined forces to negotiate the agreement between Canada and the EU on wine and spirits. This is an important agreement ensuring that Canadian wine and spirits producers have greater access to the European market in the years to come.

[English]

The Spirit Drinks Trade Bill establishes the legal vehicle through which to comply with our trade obligations with the European Union. I ask that honourable senators support the wine and spirits industries in Canada by passing this bill.

Hon. Jack Austin (Leader of the Government): I wonder if Senator Mitchell would take a question.

Senator Mitchell: I certainly would.

Senator Austin: I have been asked by Senator Christensen and Senator Rompkey to inquire whether Yukon Jack and Newfoundland Screech are protected.

[Senator Mitchell]

Senator Mitchell: They are clearly so Canadian in their appellation, as we say in this technical area of law, that they will be absolutely protected. I should also add that no other country on the face of the Earth could possibly produce those kinds of products.

Hon. Terry Stratton (Deputy Leader of the Opposition): Is that a compliment?

Hon. Francis William Mahovlich: I was wondering if Senator Mitchell would take another question.

Senator Mitchell: Yes, I would.

Senator Mahovlich: A number of European drinks were mentioned. I know the country is not in the European Union, but what about slivovitz? It is a Croatian drink. It is also served for medicinal purposes, by the way.

Senator Mitchell: It is not a product of which I am aware. Perhaps it is something that the honourable senator encountered in one of his many forays to play hockey elsewhere in the world. I will certainly get an answer for the honourable senator as to the disposition of that particular spirit.

On motion of Senator Kelleher, debate adjourned.

CANADA ELECTIONS ACT

BILL TO AMEND—SECOND READING—
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Harb, seconded by the Honourable Senator Mercer, for the second reading of Bill S-22, to amend the Canada Elections Act (mandatory voting).—(*Honourable Senator Stratton*)

Hon. Donald H. Oliver: Honourable senators, I am pleased to join the debate on Bill S-22. I wish to thank Senator Harb for his submission outlining his position regarding the need for legislation to encourage voting in elections, which is essentially the theory that compulsory voting draws in part on the view that citizens, having been given the right to vote, ought to exercise it. Senator Harb's work and the work of many other honourable senators in this chamber to raise awareness on the state of voter apathy is very much needed given the current state of electoral participation in this country.

Several honourable senators have spoken about Canada's increasingly distressing problem when it comes to voter participation in elections. Indeed, as Senator Harb pointed out in his second reading remarks on Bill S-22, voter turnout has been on a precipitous decline for over 40 years, reaching an all-time low of 60.9 per cent in last year's federal election. This decline is even more startling when one considers the fact that only 25 per cent of Canadians under the age of 25 chose to vote in the last federal election. Since this cohort is already voting at increasingly low levels, it is more than likely that voting rates will continue to drop sharply in elections to come.

That said, honourable senators, I believe there is a fundamental issue at stake here, an issue that Senator Harb has yet to adequately address in his remarks on Bill S-22. In a country where, throughout its history, compulsory laws have not easily been accepted, there is something inherently anti-democratic about enacting legislation to essentially coerce or force Canadians into exercising their democratic rights.

Senator Kinsella has raised the issue of our Charter of Rights and Freedoms. He questioned whether the adoption of legislation to make voting compulsory might violate section 3 of the Charter, which guarantees “every citizen of Canada the right to vote in an election of members of the House of Commons or of a legislative assembly and to be qualified for membership therein” — in short, whether implicit with the right to vote is the right not to vote.

Senator Austin put it this way:

Compulsory voting runs contrary to our tradition of regarding the right to vote as a right to be exercised freely. I believe most Canadians view mandatory voting as an infringement of their personal liberty. They would regard being forced to vote as contrary...to their personal freedom.

• (1440)

Indeed, honourable senators, this is precisely what John Courtney, professor emeritus at the University of Saskatchewan and renowned expert on elections and voting trends, argued in his most recent book on Canada’s electoral history, simply entitled, *Elections*.

Professor Courtney contends that a “significantly large body of Canadians subscribe to classical liberal ideology which suggests that the state should play no part in serving as a watchdog for electoral participation.”

Courtney argues that Canada, throughout its history, “has demonstrated a greater acceptance of a laissez-faire attitude in its elections.” He argues that the “Canadian approach to participation, which is shared by most other Western liberal democracies, rests on the notion that the state has no legitimate role to play in enforcing democratic participation by citizens.”

Honourable senators, this view — that Canadians have a right not to vote if they so choose — was one of the main conclusions of the 1989 Royal Commission on Electoral Reform and Party Financing, which was created by Prime Minister Mulroney after the 1988 federal election. I was honoured to be a member of that royal commission, along with Senator Pépin.

From November 1989 to the fall of 1991, the commission held 42 days of hearings and public consultations with Canadians in 27 cities from coast to coast. Our mandate concerned the most fundamental issues of our electoral system and the most basic of democratic rights — the right to vote, to be a candidate and to participate in free and open elections. In total, the commission made 560 recommendations.

The commission heard from over 75 scholars from across Canada and other parts of the world who presented papers on what they considered to be the major issues of electoral reform

and the research projects that would be necessary to address them. At the same time, the commission received 900 briefs and submissions — 233 from various groups and associations, 195 from political practitioners and organizations, and 466 from election administrators and private citizens. The commission’s record of testimony exceeds 14,000 pages.

Honourable senators, when the Lortie commission, as it was known, studied ways to enhance citizen involvement in elections, mandatory voting was not one of the commission’s recommendations.

I will repeat what the commission said in its final report, which the Leader of the Government in the Senate has already brought to the attention of this chamber. I quote:

Although every effort must be made to ensure voters are registered and able to vote if they wish to do so, the public interest in electoral democracy need not extend to a requirement that citizens vote. The Canadian approach has assumed that voters have the right not to vote, and we agree with this view.

While the commission discounted the idea of mandatory voting as a mechanism to encourage political engagement, it did establish six objectives to guide Canada’s policy on electoral reform. Those objectives include, first, securing the democratic rights of voters; second, enhancing access for Canadians to elected office; third, promoting the equality and efficacy of the vote; fourth, strengthening political parties as primary political organizations; fifth, promoting fairness in the electoral process; and, sixth, enhancing public confidence in the integrity of the electoral process.

I wish to focus my remarks on the fifth and sixth recommendations, which I believe are central to what we as policy makers should attempt to promote, that is, fairness and public confidence in our electoral process.

Honourable senators, a democratic right is of little value if it is not known to citizens and if that right is not explained in meaningful ways. For instance, a new Canadian’s first experience with the Canadian political system should be open and encouraging — the individual should be welcomed to the process. The Royal Commission on Electoral Reform and Party Financing concluded that in many areas Elections Canada did not do this.

According to volume 4 of the commission’s final report, many provisions of the Canada Elections Act do not reflect Canada’s multicultural mosaic. The commission concluded as follows:

The model that Elections Canada has at the moment assumes that you’ve been educated in Canada, you’re familiar with what voting is all about, why you should vote, and how you do it. That is simply not the case for many voters. Instead, what they find are barricades, difficulties, and a lot of discouragement.

The commission recommended that Parliament consider clarifying the Canada Elections Act to make it a more understandable document. The act, according to the commission's final report, "is complex and vague, and some sections are subject to various interpretations. Thousands of volunteers need to access, comprehend, and understand the legislation which regulates the democratic process in this country. The current legislation makes this comprehension difficult."

With that in mind, honourable senators, consider one of the important issues raised by the Lortie commission, that is, the fact that compulsory voting laws in countries such as Australia are rarely enforced effectively because citizens must be given the benefit of the doubt when explaining why they did not vote.

After analyzing Australia's system of compulsory voting, our commission's final report noted that many Australians are prosecuted for voter absenteeism when they had a valid excuse for not being able to vote, while others are granted immunity from fines for reasons eventually proven to be erroneous. Overall, the Lortie commission found the enforcement of mandatory voting to be an inherently subjective and tedious exercise.

In conclusion, honourable senators, I strongly believe that Canadians should exercise their democratic right to vote, but I do not believe that Canadians should be legally forced to vote. Not only has mandatory voting been consistently rejected by Canadians — most recently in a 2000 poll by the Institute on Research and Public Policy that showed that 73 per cent of Canadians oppose mandatory voting — but also, as Senator Kinsella has stated, compulsory voting may also be antithetical to our Charter of Rights and Freedoms, which guarantees Canadians "the right to vote in an election of members of the House of Commons or of an legislative assembly."

Indeed, I would concur with Senator Kinsella, Senator Austin, the Lortie commission, Professor John Courtney and a number of other scholars and academics, as well as other honourable senators who sit in this chamber who have spoken against the enactment of mandatory voting legislation.

Honourable senators, the act of voting is the most fundamental and direct way in which citizens can participate in the democratic process, and it should not be done through coercion.

Hon. Terry M. Mercer: Will the honourable senator permit a question?

Senator Oliver: Yes.

Senator Mercer: Senator Oliver has spoken against Senator Harb's bill. However, he acknowledges that voter participation has been consistently declining over the last number of years.

Does Senator Oliver have another solution for this problem?

Senator Andreychuk: A new government.

Senator Mercer: I find that idea unacceptable, as would the majority in this chamber.

Short of mandatory voting, what is the solution to getting more people to vote, particularly young people?

Senator Oliver: I attempted to explain that in my remarks. I said that one of the conclusions reached by the Lortie commission was that there is a major problem with the Canada Elections Act. The Canada Elections Act is antiquated and outdated, and its language is difficult. I was a lawyer for the Progressive Conservative Party for almost 20 years, and during that time I was often involved in interpretation of that act. As the Lortie commission also concluded, that act is subject to many interpretations. When new and young Canadians enter the electoral process and get ready to vote for the first time, they have enormous difficulty understanding that process. One of the best and most important things we could do at the outset is to rewrite the Canada Elections Act so that it is clearer, more understandable and more user-friendly.

• (1450)

Senator Mercer: At one time I had the obligation of reading the Canada Elections Act and following the rules as closely as possible. I am not a lawyer so the honourable senator will have to enlighten me if he is suggesting that the Canada Elections Act be written in layman's terms as opposed to the current legalese of the cumbersome and lengthy document.

Senator Oliver: That is precisely what I am saying.

Senator Mercer: Senator Oliver, this would be revolutionary and could catch on. God forbid we would have laws that all could understand.

On motion of Senator Stratton, debate adjourned.

BUDGET 2005

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Kinsella calling the attention of the Senate to the budget presented by the Minister of Finance in the House of Commons on February 23, 2005.—(*Honourable Senator LeBreton*)

Hon. Marjory LeBreton: Honourable senators, I rise to participate in the inquiry of Senator Kinsella calling the attention of the Senate to the budget presented by the Minister of Finance in the House of Commons on February 23, 2005.

I will put on the record a few historical facts, but I will begin by referring to a May 4 response of the Leader of the Government in the Senate to a legitimate question on the budget and financial situation of the country raised by my colleague the Honourable Senator Angus. The Leader of the Government said, "You have to be kidding," when Senator Angus referred to the record of the previous government. He made reference to Senator Angus as a Conservative senator launching into a matter of budgetary talks.

Honourable senators, listening to that answer of the Leader of the Government in the Senate, I decided to deliver a speech called "Words Unspoken" because it should have been delivered by the

Leader of the Government in the Senate when, thanks to the Martin budget cuts and policies of the previous government, we saw the elimination of the federal deficit. He should have said:

“Today I propose to discuss with you the impressive strength of the Canadian economy and the elimination of the federal deficit. Because I claim to believe in truth in advertising, there are a few points I should like to make before I launch into a defence of our record, a record that needs to be applauded.”

“In all honesty, I must confess to you that Canada had no deficit in the late 1960s. Then, the Trudeau government, of which I was a member and a cabinet minister, began spending at a pace never before seen in Canadian history. The consequences were dynamic and dramatic. Over the 15 years that the Trudeau Liberals were in office, program spending increased by 15 per cent per year. As a consequence, the deficit skyrocketed from zero to \$38.5 billion, or 8.7 per cent of the GDP — the largest deficit in Canadian history.”

“Our uncontrolled spending also resulted in exploding the national debt by over 1,000 per cent. During this period, when I was a Minister of State for Social Development and Minister Responsible for the Canada Development Investment Corporation, the Auditor General said that Parliament had ‘lost control of the public purse.’ Moreover, this bleak fiscal situation was aggravated by Liberal policies such as the NEP, the PGRT and FIRA, which devastated our energy sector, drove away investment and increased our external debt.”

“When my Trudeau/Turner government was defeated in 1984, we had, as Ontario Liberal Leader David Peterson said, ‘left one helluva mess’ for the new Mulroney government, or, as the Honourable Jean Chrétien said at the time, ‘We left the cupboard bare.’”

He should have continued:

“Honourable senators, the Mulroney government did not do everything right, but in the interest of fairness and honesty, some facts must be brought to the attention of senators. They reduced the rate of growth in program spending by 70 per cent and, in the process, eliminated the operational deficit of the federal government and cut the national deficit by one third. They eliminated the NEP, PGRT and FIRA and began a wave of privatizations that took over 90,000 employees off the federal payroll. They appointed John Crow as Governor of the Bank of Canada with instructions to wring inflation out of the system; and they succeeded.”

“Most significantly, former Prime Minister Brian Mulroney led Canada to the free trade agreement with the United States and then to NAFTA, with the result that our exports to the United States have more than tripled and the percentage of our national wealth that accrued from international trade jumped from 25 per cent to well over 50 per cent of the GDP. Former Prime Minister Mulroney then revolutionized Canada’s tax system by eliminating a hidden 13.5 per cent tax on all manufactured products and introduced a 7 per cent visible, up-front GST on consumption.”

In his remarks, the honourable leader should have said:

“I must, in all honesty, tell the house that for nine years the Liberal Party, of which I was and am an eager member, voted against every one of these initiatives and every single reduction in government expenditures, even though I acknowledge now that they modernized the Canadian economy and laid the ground work for Canada’s present success. This explains why we have reversed all of our positions on these major policies and now fully endorse the Mulroney agenda as our own.”

“To be fair, by the time former Prime Minister Mulroney left office in June 1993, and in spite of a brutal recession twice as long as that of our American friends, the deficit as a percentage of the GDP had been cut by one third, employment had increased by 1.4 million, interest rates were at their lowest in 20 years, inflation at its lowest in 30 years, and the United Nations had just declared that in terms of quality of life, Canada was the number one country in the world in which to live.”

• (1500)

“Little wonder that, in light of these achievements, professors Tom Velk and Al Riggs of McGill University, in a major economic analysis of federal government performance since the war, proclaimed Prime Minister Mulroney’s government as the most successful of the last 35 years, while rating the Trudeau government as the worst.”

“Although my party — the Liberal Party — demonized the former government and denigrated its achievements for electoral purposes, simple fairness and honesty now demand that I tell you the truth about his government before I ask you to believe what I have to say about mine.”

That, honourable senators, is the speech Senator Austin should have given in response to the good news that the deficit was eliminated. That is what any principled member of the Liberal government should say — but a principled Liberal is a political oxymoron of stunning proportions.

Honourable senators, need I remind you that the two major initiatives of the former government have been the major factor in our current economic condition. Still, may I remind you of Mr. Chrétien’s words, when he said:

The Liberal government will dump the despised goods and services tax in two years.

That is a direct quote.

The tax is so inefficient that you have to move \$30 billion to have a net of \$15 billion.

If one looks at the real GST revenue figures, it is obvious that Mr. Chrétien did not know much about economics. In May 1994, with respect to the GST, he told the House of Commons:

It has driven a lot of the economy under the table. The black market is rampant and is growing all the time. We hate it and we will kill it.

On free trade, Mr. Chrétien promised that the Liberals would renegotiate the terms of the North American Free Trade Agreement.

First renegotiate, if that fails, abrogate. The free trade agreement, we were not happy with it; we said we have to renegotiate that. The same thing with NAFTA, we are not happy with it, it is not a good deal. We need trade but this is not a good deal.

Those were the words of Mr. Chrétien.

Honourable senators will recall that the first Martin budget in 1994 was very poorly received and had further negative consequences on the finances of Canada. It was not until the 1995 budget when then Finance Minister Martin took drastic measures to address the debt and deficit issue in this country. That budget, interestingly enough, contained many measures that were in the 1993 Mazankowski budget.

In 1995, when Mr. Martin's budget finally addressed these issues, Canada's federal debt exceeded \$500 billion. The federal debt represented \$17,500 for every Canadian. With the provincial debt load added to it, that figure went up to \$24,000 for every Canadian.

During the Mulroney years, federal revenues nearly doubled. Had his government inherited no debt on coming into office, we would have had a balanced budget by 1987. Subtract everything paid in programs against the Mulroney government's total revenues in nine years, and you have a net operating surplus of \$1 billion.

Unfortunately, however, over the nine years of the Mulroney government, Canada sank deeper in debt — \$266 billion deeper — all because of the compounding interest on the debt we inherited from the Liberals.

Over the 16 months between the election of the Chrétien government in 1993 and the February 1995 budget, Canada added \$47 billion in debt. In Mr. Martin's first year as finance minister, Canada spent more than twice as much on the interest on the \$500 billion national debt as was spent annually on old age pensions.

For all the talk of restraint, Martin in his first year spent \$120 billion in government programs; that is \$20 billion more than was spent in 1988.

Honourable senators, I will end by quoting from a Global Insight analysis, which was reported in *The Globe and Mail* in November of 2003, about a year and a half ago. These are the writings of Dale Orr, director of the Canadian arm of Global Insight. He was reporting on the positive Canadian standard of living, and that is the happy truth. There was good news to report, and we all acknowledge that. Mr. Orr wrote:

...However, Mr. Chrétien can thank both good luck and Mulroney government policy choices — the free trade deal with the United States, the establishment of strict inflation targets and the introduction of the GST — for setting the stage for his Liberal government's successes.

The Globe and Mail's Eric Beauchesne wrote:

The report credited the Mulroney government's free trade deals, inflation targets and GST for doing profoundly more to boost Canada's economic potential than any of the Chrétien government's policies.

Mr. Beauchesne continued by quoting Mr. Orr as follows:

As far as fundamental economic policy decisions are concerned, a preliminary assessment is that the Chrétien administration made a less constructive contribution than that of the Mulroney administration but a less destructive contribution than that of the Trudeau administration.

Honourable senators, I certainly do not mind congratulating the former Minister of Finance for overseeing the recovery. Unfortunately, the government refuses to acknowledge the key role, if not the major role, in this good news story of former Prime Minister Brian Mulroney and his Ministers of Finance, Michael Wilson and Don Mazankowski. We wonder why people are cynical about politics. A little truth in politics would go a long way.

On motion of Senator Cochrane, debate adjourned.

FOREIGN AFFAIRS

COMMITTEE AUTHORIZED TO STUDY INTERNATIONAL POLICY STATEMENT

Hon. Peter A. Stollery, pursuant to notice of May 31, 2005, moved:

That the Standing Senate Committee on Foreign Affairs be authorized to examine and report on the documents *Overview, Diplomacy, Development and Commerce of Canada's International Policy Statement*, tabled in the Senate on April 19, 2005; and

That the Committee report to the Senate no later than March 31, 2006.

He said: This motion is self-explanatory. Honourable senators, the Foreign Affairs Committee has been asked by the ministers responsible for the documents to report, and that is what we intend to do. If anyone has any questions, I would be happy to answer them.

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, Senator Stollery stated that ministers of the federal government had asked his committee to examine these documents.

Senator Stollery: The ministers responsible asked the committee — and it has been discussed by the steering committee — if we would report on the documents on the new foreign policy review.

Senator Stratton: Is there any cost to this study?

Senator Stollery: I thank the honourable senator for his question. I am not aware that any costs will be incurred in this examination. It is a fairly straightforward matter. As senators are aware, the committee has been caught up in its study of Africa. We will make every effort to complete our examination of these documents as expeditiously as possible.

[Translation]

Hon. Pierre Claude Nolin: Honourable senators, as you know, this policy statement includes an important section on National Defence.

Senator Stollery, do you intend to cover that area?

Senator Stollery: It is not my intention to review the section on National Defence. There are four booklets and the committee intends to review the three that concern the Standing Senate Committee on Foreign Affairs.

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

Motion agreed to.

• (1510)

[English]

COMMITTEE AUTHORIZED TO MEET
DURING ADJOURNMENT OF THE SENATE

Hon. Peter A. Stollery, pursuant to notice of May 31, 2005, moved:

That the Standing Senate Committee on Foreign Affairs, in accordance with rule 95(3)(a) of the *Rules of the Senate*, be authorized to meet from July 12 to 14, 2005, inclusively, even though the Senate may be adjourned for more than a week.

He said: Honourable senators, this motion follows on the motion that we just passed. Again, I would be happy to answer any questions. If I may anticipate questions, I would advise that the time frame was the decision of the Subcommittee on Agenda and Procedure.

Hon. Serge Joyal: Honourable senators, the committee will be called to sit during the week of July 14, which is midsummer. I understand that, with particular reference to travelling committees, there is a special call on the personnel of the Senate who accompany the committee. I am not referring to senators, but to the personnel, that is, the interpreters, the clerk and the staff. I believe that those people deserve a holiday too. Unless a matter of urgency compels us as a chamber to take a stand on an issue, the staff should have an opportunity to take a break some time, especially when they have been under dire pressure during the year.

This motion speaks to the dedication of the senators who want to work during summertime. The Senate may well be sitting that week, as a matter of fact. We do not know. However, normally, during July, we try to afford our generous and dedicated staff the opportunity to spend time with their families and to have a private life and to rest, so that when they come back in September they are regenerated and re-motivated to give us the best service and support they can. Did the committee take that into consideration before introducing this notice of motion?

Senator Stollery: Honourable senators, I would assure everyone that the committee has no intentions of travelling anywhere. The hearings will take place right here in this building. I am informed that the Senate intends to close down on July 15 so that staff will have a break. We certainly have every intention of adhering to that deadline.

I also would add that the steering committee will be meeting tomorrow. I have already discussed this with Senator Di Nino. We hope that we need not proceed with this motion and that our committee could meet during the last week of June. That would give us the option of meeting later if it is impossible to sit during the last week of June, because we must deal with legislation. As I said, it is our intention to conclude our business by July 15. The Standing Senate Committee on Foreign Affairs has every intention of keeping to that timetable.

Hon. Terry Stratton (Deputy Leader of the Opposition): My question is to the Chair of the Standing Senate Committee on Foreign Affairs. Does he have the concurrence of the members of his committee, from both sides of this chamber, to sit during that time frame? I would be surprised to hear that there was unanimity amongst members of the committee to sit in July.

Senator Stollery: This is a decision of the steering committee. The members of the committee, and I include myself amongst them, are not enthusiastic about sitting in July. However, it is fair to say that the Senate has been operating on a fairly flexible schedule for the last few weeks. This is our position. This is the worst-case scenario. The members of the committee understand that. It was a unanimous decision of the subcommittee on Agenda and Procedure.

Hon. Bill Rompkey (Deputy Leader of the Government): I should like to comment on the point raised by Senator Joyal, which is a valid point and well taken. Discussions have taken place with the table officers and the administration of the Senate. It is fair to say, as well, that both sides of the chamber have been involved in those discussions.

It is our collective position that no standing committee meetings should be held after July 15 up until the Labour Day weekend. There should be a hiatus in that period. Our understanding is that, if that policy is followed, it will be respectful of our staff who have built up a lot of overtime and leave and who have given of themselves faithfully and diligently to do their work and, at the same time, committees will have an opportunity to do their work.

Senator Stratton: Honourable senators, I would agree with Senator Rompkey. Indeed, the agreement that was worked out on both sides was not to have any committees sit after July 15 up until Labour Day. The administration also requested that there be

no sittings until we resume after the summer break. If at all possible, we should try to meet that request. I know that one committee may run into trouble and be unable to complete its work. However, I would respectfully request that committees consider meeting when we resume after Labour Day.

The Hon. the Speaker *pro tempore*: Are senators ready for the question?

Hon. Senators: Question!

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

[*Translation*]

NATIONAL SECURITY AND DEFENCE

MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTING OF THE SENATE— DEBATE ADJOURNED

Hon. Pierre Claude Nolin, pursuant to notice of June 7, 2005, moved:

That the Standing Senate Committee on National Security and Defence have power to sit on June 20, 21 and 22, 2005, even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto; and

That if the Senate has adjourned for a period exceeding one week, the Standing Senate Committee on National Security and Defence be empowered, in accordance with rule 95(3), to sit on June 20, 21 and 22, 2005.

He said: Honourable senators, after consulting its members, the committee reached a consensus that allows it to meet before July 15 in order to undertake the correction of the first version of the first volume of the report on Canada's defence policy, which it intends to submit in the fall.

The committee needs three days to complete this process. The three dates mentioned are those that were agreed on by consensus at committee.

I move that this motion be adopted.

[*English*]

Hon. Bill Rompkey (Deputy Leader of the Government): Could we have an explanation from Senator Nolin? Could he explain why the committee needs to sit on those particular dates?

Senator Nolin: As you know, the committee has been asked to report on the Canadian defence policy. It will be a lengthy report, and the committee has decided to tackle the task by volume instead of preparing one huge report. The report will comprise more than one volume.

[Senator Stratton]

• (1520)

The first volume will probably be tabled in this chamber by the end of September. The first draft must be reviewed by the members of the committee, and those are the only three dates that are acceptable to all members of the committee, keeping in mind our request that the committee not sit between July 15 and Labour Day.

Senator Rompkey: My other concern is the likelihood of votes on those dates. I think we should add to the motion the caveat that committee members must be present in the chamber for votes, should they be called on those dates.

Senator Nolin: The committee will definitely afford members who want to attend a vote the time to do so. Each member will decide whether to attend the chamber for votes. Every senator has the privilege of voting or not voting.

Senator Rompkey: We would prefer that the committee meeting be suspended should there be a vote in the chamber.

Senator Nolin: The meetings will be suspended.

An Hon. Senator: What if the committee is away from Ottawa?

Senator Nolin: We will be meeting within the National Capital Region.

Hon. Terry Stratton (Deputy Leader of the Opposition): Should we have votes, my concern is that sufficient time be afforded to senators to get to the chamber in order to participate. If the committee is meeting within the parliamentary precinct, there would have to be a minimum of a one-hour bell for every vote.

Senator Nolin: There is no rule that forces us to meet within the parliamentary precinct. We are meeting within the boundaries of the National Capital Region, and a one-hour bell would be suitable.

Senator Rompkey: The committee is the master of its own business, but it is a creature of the chamber. If the chamber decides that there will be a vote at a certain time, that vote trumps any business of the committee.

Senator Nolin: We agree.

Senator Rompkey: With regard to where the committee is meeting, it is the responsibility of the committee to adhere to the motions of the chamber and to be present when called upon for votes or otherwise.

Hon. Noël A. Kinsella (Leader of the Opposition): Does the government hold the majority on this committee?

Senator Rompkey: Yes.

[*Translation*]

Senator Nolin: I can assure honourable senators that the committee will suspend its work to allow all the committee members to be present if a vote is called in this chamber.

[English]

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Senator Rompkey: I wonder whether honourable senators would agree to amend the motion to read that the committee hold itself responsible for being present in the chamber on motions of the chamber that include votes or otherwise.

The Hon. the Speaker *pro tempore*: Senator Rompkey, may I have that amendment in writing?

Senator Stratton: Is it not in the *Rules of the Senate* that when there is a vote, all committees are suspended until the vote has taken place?

Senator Robichaud: No.

Senator Stratton: I would appreciate clarification on that question. It is my understanding that the work of committees is to be suspended when a vote is called. If that is the case, we do not need this amendment.

The Hon. the Speaker *pro tempore*: Honourable senators, I have been advised that there is no such rule but that that has been the practice.

On motion of Senator Stratton, debate adjourned.

[Translation]

MOTION TO AUTHORIZE COMMITTEE
TO MEET DURING ADJOURNMENT OF THE SENATE—
DEBATE ADJOURNED

Hon. Pierre Clause Nolin, pursuant to notice of June 7, 2005, moved:

That the Standing Senate Committee on National Security and Defence be empowered, in accordance with rule 95(3), to sit on September 14, 15 and 16, 2005, even though the Senate may then be adjourned for a period exceeding one week.

He said: Honourable senators, for the same reasons I provided earlier, the voluminous reports that we are to prepare for you require an exhaustive review by the committee.

We intend to meet, if you agree, on these dates. We fear September might be too late to act, since we do not know when the Senate will resume sitting in September. That is why we are requesting permission to sit on these three dates.

[English]

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, as I stated earlier, both sides have agreed that no committees will sit between July 15 and Labour Day. The administration has also requested that, if possible, no committees

meet until we resume sitting in September. Is there any reason that the committee cannot comply with this request by the administration?

[Translation]

Senator Nolin: This is the first we have heard about this little arrangement, the request by the administration not to have to work before we resume sitting. The date has not been determined, and we have a report to write. All members of the committee have given their consent, and those three dates suit everyone. We were aware that both sides of the chamber had agreed not to sit between July 15 and the Tuesday following Labour Day. The honourable senator is adding something new. He is asking for a longer adjournment. We were not aware of this.

[English]

Hon. Tommy Banks: Honourable senators, in response to what Senator Stratton has said, it is appropriate, if not required, that I say that the Standing Senate Committee on Energy, the Environment and Natural Resources has, in response to the admonition that we not meet between July 15 and Labour Day, planned for a very long time not to hold meetings but to conduct a fact-finding mission to Europe leaving on September 6. Those plans have been in place for some time.

On motion of Senator Rompkey, debate adjourned.

COMMITTEE AUTHORIZED TO EXTEND
DATE OF FINAL REPORT ON STUDY
OF VETERANS' SERVICES AND BENEFITS,
COMMEMORATIVE ACTIVITIES AND CHARTER

Hon. Michael A. Meighen, pursuant to notice of June 7, 2005, moved:

That notwithstanding the Order of the Senate adopted on November 4, 2004, the date for the presentation of the final report by the Standing Senate Committee on National Security and Defence on veterans' services and benefits, commemorative activities and charter, be extended from June 30, 2005, to March 31, 2006.

He said: Honourable senators, none of the dates mentioned in this motion fall within the sacrosanct period. I hope you will not search for other reasons to deny this motion.

The Hon. the Speaker *pro tempore*: Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to.

The Senate adjourned until Thursday, June 9, 2005, at 1:30 p.m.

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