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Tuesday, June 21, 2005



THE HONOURABLE DANIEL HAYS
SPEAKER

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THE SENATE

Tuesday, June 21, 2005

The Senate met at 2 p.m., the Speaker in the chair.

Prayers.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, before proceeding to Senators' Statements, I wish to draw your attention to the presence in our gallery of His Excellency Mohammed R. Al-Hussaini — the Dean of Arab Ambassadors in Ottawa — Ambassador of the Kingdom of Saudi Arabia to Canada, as well as his spouse, Ms. Iman Atallah. Dr. Al-Hussaini will be leaving us to take up his duties as his country's Ambassador in Ankara, Turkey, after having served here for seven years. He is the guest of Senator Prud'homme.

Once again, Dr. Al-Hussaini, welcome to the Senate of Canada.

SENATORS' STATEMENTS

ABORIGINAL AWARENESS DAY

Hon. Jack Austin (Leader of the Government): Honourable senators, today Canadians celebrate the ninth anniversary of National Aboriginal Awareness Day, a day to recognize the contributions to Canada of First Nations, Inuit and Métis peoples.

Senators may recall that a former colleague, the Right Honourable Roméo LeBlanc, declared the first National Aboriginal Awareness Day in 1996. This event was originally proposed in 1982 by the Assembly of First Nations, which was then known as the National Indian Brotherhood, and received support from the 1995 Royal Commission on Aboriginal Peoples and the Sacred Assembly, chaired by former member of Parliament Elijah Harper that same year.

Through the Prime Minister's round-table process, a partnership in dialogue between the Aboriginal community and the federal government, we have moved forward in recognizing the Aboriginal reality in Canada and the need to advance the Aboriginal population as full participants in our national economy, while at the same time retaining their identity, culture and language to the greatest extent possible.

Since 1993, the Government of Canada has reached final agreements with many First Nations across the country, among them the Nisga'a, Tlicho and, we anticipate, the Labrador Inuit. Many issues await final resolution on treaty rights and self-government, health care, housing and education, as well as issues facing urban Aboriginal youth that were brought to the fore in an excellent report by the Standing Senate Committee on Aboriginal Peoples.

This fall, the round table will bring together the federal, provincial and territorial first ministers and the Aboriginal leaders, to take the necessary next steps in what I believe will be a watershed meeting.

I should like to tell honourable senators about Sheila Watt-Cloutier, who is but one example of the many good news stories among Aboriginal communities in Canada. Raised in Nunavik, Quebec, following traditional Inuit customs, Ms. Watt-Cloutier has become a prominent voice for her people as well as a world leader on addressing global environmental challenges.

On June 15, Ms. Watt-Cloutier was awarded the Sophie environmental prize, a pre-eminent environmental award established in 1997 by Norwegian author Jostein Gaarder, author of *Sophie's World*.

In April of this year, Ms. Watt-Cloutier was also named one of seven Champions of the Earth by the United Nations Environment Programme for promoting the Stockholm Convention on Persistent Organic Pollutants, to eliminate pollutants that threaten the Arctic ecosystem.

Over the past decade, Ms. Watt-Cloutier has chaired the Inuit Circumpolar Conference, an organization that represents over 150,000 Inuit in Canada, Alaska, Greenland and Russia.

Ms. Watt-Cloutier has worked with great determination to bring to the world's attention the impact of our changing environment on the Arctic and on the people who live there. Her dedication to this important cause has served as a remarkable example of the power of the individual to change seemingly inexorable global developments. She is an outstanding representative of both Canadian and Aboriginal communities.

By the way, there is another distinguished member of that family whom we know quite well, her brother and our colleague Senator Charlie Watt.

Hon. Gerry St. Germain: Honourable senators, as a Canadian, but particularly as a member and a descendant of the Métis, it is a pleasure to be able to rise in this place and say that today is a special day established to commemorate the contributions of Aboriginal people to Canada.

Canada, its people and its parliamentary system of democracy recognizes that were it not for the generosity of the First Nations of this land Canada would not exist as it does. Because of their culture of sharing the land and the bountiful fruits the land provides to its inhabitants, Canada has become a unique and blessed place in which to live.

Canada is unlike any other country in the world. On July 1, Canadians will celebrate Canada's 138th birthday; they will gather to celebrate our country's uniqueness, diversity, cultures, religions and languages. However, today, June 21, Canada pays special tribute to the Aboriginal people, who first celebrated their culture and heritage at this time of the year.

The First Nations, Inuit and the Métis people's forefathers shared the bountiful land, which fed the new settlers and gave them hope. As Canada stands at the dawn of a second century of Confederation, that same spirit of compassion, respect, freedom and perseverance endures.

• (1410)

My Aboriginal Day message must also be mindful of the tremendous courage and sacrifice Aboriginal men and women have demonstrated in the name of Canada and the pursuit of freedom. Canada's veterans of the past and present have helped to build the peaceful, prosperous nation that Canada is today. The year 2005 is the Year of the Veteran, and it is our obligation to pause to reflect and give thanks to all Canadian veterans, to remember our heroes, to inspire our youth to maintain the hope, and to protect our freedoms and make Canada an even better place to live for future generations.

Aboriginal Day is our day to remember and celebrate the accomplishments of all the Aboriginal people of Canada, people who make Canada, our homeland, one of the best nations in the world.

Honourable senators recognize and celebrate the Aboriginal people, their culture and their contributions. We recognize and celebrate their generosity in sharing the land with people of cultures who now call this place home: Canada. God bless us.

[*Translation*]

THE HONOURABLE ROMÉO ANTONIUS DALLAIRE

CONGRATULATIONS ON RECEIVING THE NATIONAL ORDER OF QUEBEC

Hon. Serge Joyal: Honourable senators, it is a great pleasure for me to inform you that tomorrow, June 22, our colleague Senator Roméo Dallaire will be made a Grand Officer of the National Order of Quebec.

In so doing, he will join the ranks of his colleagues, Senator Lise Bacon, admitted to the Order of Quebec in 2003, Senator Lucie Pépin, admitted in 1999, and your humble servant.

The merits of Senator Dallaire are well known. He enrolled in the Canadian army in 1964 and rose to the rank of Lieutenant General. He attended Collège militaire royal de Saint-Jean and the Royal Military College, in Kingston. After higher command studies in the United States and Great Britain, he held various command positions at Collège militaire royal de Saint-Jean, Valcartier, Saint-Hubert and other locations in Canada and Germany.

However, it was during Senator Dallaire's time in Rwanda, as commander of the United Nations Observer Mission — Uganda and Rwanda — and of the United Nations Assistance Mission for Rwanda, that his talents began to capture more public attention.

He holds the Meritorious Service Cross, the Vimy Award and the United States Legion of Merit, and was made an Officer of the Order of Canada in 2002.

With his investiture tomorrow as Grand Officer of the National Order of Quebec, Senator Dallaire will be entrusted with another mission, one we know he will carry out with exemplary integrity.

His inestimable experience during the Rwandan genocide has led him to openly question our collective responsibility for the condition of humanity.

[*English*]

As he stated in January 2003:

I would try to move it to another plateau — the whole arena of conflict of ethical and moral decisions of humanity, the arena in which one could sit back and ponder the following question: are all humans human, or are some more human than others?

[*Translation*]

Are some human lives more valuable than others and more worthy of our fighting to save them from destruction? Are people less entitled to live when they inhabit a poor country ravaged by famine, a lack of care and of education or, weigh less in the balance of nations or when their natural resources are less coveted by the major powers, in other words, when they are not the object of people's envy or when they do not appear on the radar of countries seeking new markets or strategic resources or when they do not weigh heavily in regional balances?

In addition to focusing debate on the value of human life, Senator Dallaire makes us look at our collective and individual responsibilities, our responsibilities as a developed country and as citizens of that country and at the measures we have to put in place so that humanity is expressed more in terms of the rights and freedoms that produce sustainable peace.

Senator Dallaire has our support in his commitment and our congratulations on the mission that has fallen to him on his acceptance of the title of Grand Officer of the National Order of Quebec.

SAINT-JEAN-BAPTISTE DAY

Hon. Pierre Claude Nolin: Honourable senators, next Friday, francophones across Canada will celebrate Saint-Jean-Baptiste Day with enthusiasm and pride.

In ancient times, pagans celebrated the summer solstice with a huge friendship fire, symbolizing the sun at its highest point.

Later, in France, the traditional friendship fire marked the birth of John the Baptist, cousin of Jesus Christ, on June 24.

Once defined as the feast day of the patron saint of Catholic French Canadians, Saint-Jean-Baptiste Day is now an opportunity to pay glowing tribute to the birth of the French fact in North America.

Outside Quebec, French Canadians will celebrate the existence of francophone communities that are flourishing economically, socially and culturally.

In my home province, Saint-Jean-Baptiste Day, now known as Quebec's National Holiday, will be an opportunity for Quebecers of all ethnicities to join together with their families or communities at the numerous neighbourhood events or celebrations.

Together, they will celebrate the vitality of Quebec society and the achievements of the descendants of some 10,000 French settlers who arrived on what was once described as inhospitable soil between 1608 and 1759.

Together, these pioneers laid the foundation for a people who, since the Quiet Revolution, have been loudly and clearly defending their rightful place and distinct character within Canada and internationally.

Honourable senators, despite various unfortunate historical divisions, one fact remains: francophones are united by their mother tongue, a language that, despite repeated past assaults, has survived and flourished for over 400 years in America.

I can assure you that the French fact will survive for many years to come in Canada, a country that francophones have had a very important hand in building.

Please join me, honourable senators, in wishing the francophones of this country a very happy Saint-Jean-Baptiste Day.

ALBERTA

HEAVY RAINS AND FLOODS

Hon. Marisa Ferretti Barth: Honourable senators, during these early days of summer, nature is rebelling in the Albertan cities of Calgary and Drumheller, causing one of the worst floods in the history of this wonderful corner of Canada.

Massive flooding resulted when the Bow, Elbow and Red Deer rivers overflowed, causing millions of dollars in damage.

Canadians must stand by their fellow citizens in this difficult time, which has dealt Albertans a material and spiritual blow.

I want to send Albertans a message of hope and faith, which I feel are vital to persevering and overcoming adversity.

Such natural disasters are unpredictable. Mother Nature is sending us a message. She is reminding us that she is unpredictable and that she is and always will be the strongest. We must show her the utmost respect.

There is no point in asking why such things happen. Having faith does not always give us the answers, but it allows us to accept — resign ourselves — and never stop believing in ourselves.

Such circumstances give people the courage to carry on and rebuild. We have seen the devastation in other countries and how people never stop believing, having faith, despite their material and human loss.

Today, we must convey to Albertans that we support them and are thinking of them. I wish these valiant Canadians all the faith and courage they will need to overcome their suffering and their immense losses. Fellow Albertans, my heart is with you.

• (1420)

[*English*]

CANADA-UNITED STATES RELATIONS

OPENING OF BORDER TO CANADIAN CATTLE— COURT CASE IN BILLINGS, MONTANA— AMICUS BRIEF OF CONSERVATIVE PARLIAMENTARIANS

Hon. David Tkachuk: Honourable senators, yesterday, in an unprecedented step, 70 Conservative members of Parliament, six of whom are Conservative senators, won a landmark decision before a U.S. court to file an amicus brief in a Montana court challenge to the USDA's to open the border to Canadian cattle. U.S. District Court Judge Richard Cebull's decision was issued late Friday and was made available to the plaintiff and defendant parties on Monday morning.

Judge Cebull is hearing the case for a permanent injunction against live Canadian cattle and beef exports on July 27. This is historic in that it is the first time that opposition parliamentarians will be given the ability to defend their country's national policies before a foreign court. According to international law expert Barry Appleton, counsel for the Conservative parliamentarians, this U.S. court decision marks the turning point for the recognition of Canadian MPs by the U.S. courts. This decision demonstrates the valuable contribution that MPs and senators can make to legal disputes in the United States that involve key Canadian interests.

Honourable senators, with their amicus brief, the Conservative parliamentarians will be the lone representative of Canada's legislature in the R-CALF/USDA court case in Billings, Montana. The Government of Canada unsuccessfully applied for this same status and was turned down by the judge. Canada's Liberal government never appealed the judge's dismissal of its own amicus application.

As a result, Canada's 70 Conservative Party parliamentarians will be the only federal representatives from Canada's Parliament with the status to defend Canada in this court action. Clearly, by achieving amicus standing in the Billings court, the Conservative Party of Canada succeeded where the Liberal government failed. We Conservative senators and parliamentarians look forward to bringing the breadth and depth of our commitment to Canada's agriculture in Judge Cebull's court in Montana. Conservatives will stand up and defend our producers when and where it counts the most. I know the Senate of Canada will support them as well.

ROUTINE PROCEEDINGS

[*Translation*]

ABORIGINAL HEALING FOUNDATION

2004 ANNUAL REPORT TABLED

Hon. Bill Rompkey (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, a document entitled *Annual Report 2004: Aboriginal Healing Foundation*.

LABRADOR INUIT LAND CLAIMS AGREEMENT BILL

REPORT OF COMMITTEE

Hon. Nick G. Sibbeston, Chair of the Standing Senate Committee on Aboriginal Peoples, presented the following report:

Tuesday, June 21, 2005

The Standing Senate Committee on Aboriginal Peoples has the honour to present its

SIXTH REPORT

Your Committee, to which was referred Bill C-56, An Act to give effect to the Labrador Inuit Land Claims Agreement and the Labrador Inuit Tax Treatment Agreement, has in obedience to the Order of Reference of Monday, June 20, 2005, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

NICK G. SIBBESTON
Chair

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

On motion of Senator Rompkey, bill placed on the Orders of the Day for third reading at the next sitting of the Senate.

DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE ACT

BILL TO AMEND—FIRST READING

Hon. Noël A. Kinsella (Leader of the Opposition): Honourable senators, I have the honour to present Bill S-41, to amend the Department of Foreign Affairs and International Trade Act (human rights reports).

Bill read first time.

The Hon. the Speaker: Honourable senators, when shall this bill be read the second time?

On motion of Senator Kinsella, bill placed on the Orders of the Day for second reading two days hence.

INTER-PARLIAMENTARY FORUM OF THE AMERICAS

MEETING OF WOMEN PARLIAMENTARIANS
MARCH 20-22, 2005—REPORT TABLED

FOURTH PLENARY MEETING,
MAY 19-22, 2005—REPORT TABLED

Hon. Céline Hervieux-Payette: Honourable senators, pursuant to rule 26(3), I have the honour to table, in both official languages, two reports of the Canadian delegation of the Inter-Parliamentary Forum of the Americas. The first concerns the meeting of the Group of Women Parliamentarians of the Americas of FIPA, held in Bridgetown, Barbados, from March 20 to 22, 2005. The second concerns the fourth plenary meeting, held in Brasilia, Brazil, from May 19 to 21, 2005.

LEGAL AND CONSTITUTIONAL AFFAIRS

COMMITTEE AUTHORIZED TO MEET
DURING SITTING OF THE SENATE

Hon. Lise Bacon: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(a), I move:

That the Standing Senate Committee on Legal and Constitutional Affairs have power to sit at 4:00 p.m. on Wednesday, June 22, 2005, even though the Senate may then be sitting and that rule 95(4) be suspended in relation thereto.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

Motion agreed to.

[*English*]

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

NOTICE OF MOTION TO AUTHORIZE COMMITTEE
TO STUDY PARTICIPATION OF SENATORS IN
TELEPHONE OR VIDEO CONFERENCES
DURING COMMITTEE MEETINGS

Hon. Joan Fraser: Honourable senators, I give notice that at the next sitting of the Senate I shall move:

That the Standing Committee on Rules, Procedures and the Rights of Parliament be authorized to examine and report on the participation of senators by telephone or videoconference during public and in camera meetings of select committees.

QUESTION PERIOD

CANADA-UNITED STATES RELATIONS

NORTH DAKOTA—DEVILS LAKE DIVERSION

Hon. Janis G. Johnson: Honourable senators, we seem to be getting two different versions of events as to why the Devils Lake water diversion project is being delayed. The federal government is claiming that the delay is to allow for negotiations between Canada and U.S. officials to take place. However, the Government of North Dakota has contradicted this version of events. According to the office of the Governor of North Dakota, John Hoeven, wet weather, which has stalled construction on the project, is the only reason that a diversion outlet will not open as expected on July 1.

My question is to the Leader of the Government in the Senate. Whose version of events is correct? As well, what assurances does the federal government have that North Dakota will not move to open the outlet once the weather-related issues clear up?

Hon. Jack Austin (Leader of the Government): Honourable senators, the query by Senator Johnson is understandable. There have been diverse reports about the reasons for the delay. I cannot sort out the background for those diverse reports, but I can advise honourable senators that the Government of Canada has been assured that North Dakota will not open its outlet as long as discussions are continuing with the U.S. Council on Environmental Quality. That information is as recent as this morning.

• (1430)

Senator Johnson: In the current talks on the diversion project, the possibility of adding a multimillion dollar sand filter to the Devils Lake outlet has been raised as a way of resolving the impasse over the project.

I realize there were further developments this morning, but what is the federal government's preference at this time? Would the government prefer to continue to press for a full International Joint Commission reference, which has been Canada's position for the past 15 months, although the Bush White House has never responded to it? Would a reference to the IJC be the government's preference, in a bid to completely stop the project, or is the government more interested in finding a non-IJC solution, such as installing a sand filter or agreeing to water-quality monitoring? I realize these items are probably on the negotiating table now. If we do not abandon the IJC, would it oversee the implementation of the project?

Senator Austin: Honourable senators, negotiations are under way, and they do relate to the possibility of a sand filter, which would protect downstream waters from the movement of organisms and parasites. Part of the ongoing discussion at this stage relates to whether there is sufficient evidence supporting the effectiveness of a sand barrier.

With respect to the IJC, we are looking for an IJC-like conclusion to these negotiations. We wish to find a solution that both addresses our environmental concerns and alleviates the problems in North Dakota caused by the pressures of water rising

in Devils Lake. We are open to a science-based solution that is fair to all interested parties. At this stage, there are some who believe an IJC process would not assist North Dakota in resolving its problem but that an IJC-type solution through negotiation would be the better way to go.

With respect to the ongoing supervision, I cannot report at this stage whether the negotiations would result in the IJC being handed an operating overview of the installation and operation of whatever facilities are put in place, but it would be the customary practice to give the IJC that assignment.

Hon. Terry Stratton (Deputy Leader of the Opposition): I realize that a science-based solution is preferable, but there is some evidence that sand filters do not work. I recall having a swimming pool with a sand filter, and it required constant back washing. I expect the effectiveness of sand filters would be somewhat suspect, to say the least.

I am concerned about the failure of these talks. We have been around this mulberry bush a few times now, and we are not getting anywhere. What happens should these discussions fail? The gates are open; the water flows. Does that put the whole IJC agreement, which dates back to 1909, into jeopardy?

I realize the Leader of the Government has answered this question before, but I am seeking a more specific answer, because the issue has large ramifications, not only in terms of the Red River Basin and Lake Winnipeg, but with respect to other waterways that cross the international borders.

Senator Austin: At this stage, any response would be hypothetical, and it is generally unwise to speculate. Nonetheless, I can assert that it would not be a positive step in Canada-United States relations for the United States unilaterally to alter the normal run of cross-boundary rivers. Indeed, that action would be contrary to the letter and spirit of the International Boundary Waters Treaty Act, 1909.

This matter is within federal jurisdiction in the United States, as it is in Canada. Honourable senators are aware that the International Boundary Waters Treaty Act, 1909, was known as a British Empire treaty. It came before the Statute of Westminster in 1931, and it was signed by the British government on behalf of Canada. Therefore, it had the effect under the British North America Act of altering provincial jurisdiction where there might have been a conflict.

The United States is the treaty partner and is responsible for the conduct and behaviour of the State of North Dakota in terms of our bilateral relationship and in terms of international law. We are far from there, I hope, at this stage.

In further response to Senator Stratton's question, I would refer honourable senators' attention to the Kootenay River in British Columbia. The Kootenay River flows from the East Kootenay Trench in the southeast of B.C. into the United States. The State of Montana has objected to British Columbia's plans for the development of coal property some 20 kilometres north of the border. The State of Montana fears that coal particulates will be washed into the United States and is making reference to Canada's international obligations under the International Boundary Waters Treaty Act, 1909.

Can the United States have it both ways? Has the United States had it both ways before? I do not know the answer to those questions.

[*Translation*]

OFFICIAL LANGUAGES

ANNUAL REPORT OF COMMISSIONER— PRINCE EDWARD ISLAND—SERVICES TO ACADIANS

Hon. Gerald J. Comeau: Honourable senators, in response to a recommendation by the Standing Senate Committee on Official Languages, the Commissioner of Official Languages, in her sixth report, has issued a first report card pinpointing the successes and failures of federal government institutions in implementing the Official Languages Act.

The National Capital Region scored 100 per cent. The government leader is no doubt aware that his region of British Columbia scored 88 per cent. However, Prince Edward Island was graded a pitiful 31.8 per cent, which is totally unacceptable.

Following on the 250th anniversary of the deportation of the Acadians, and given the supposed support by the Liberal Party to official language minority communities, can the leader tell us whether the government will be taking steps to improve the serious situation being faced by the Acadians of Prince Edward Island?

• (1440)

[*English*]

Hon. Jack Austin (Leader of the Government): I cannot provide a response to Senator Comeau at the moment, but I will quickly make inquiries. I do not know whether the Chair of the Standing Senate Committee on Official Languages is in a position to assist Senator Comeau today.

[*Translation*]

SOCIAL DEVELOPMENT

PRINCE EDWARD ISLAND—TIGNISH REGION FINANCIAL SUPPORT FOR SCHOOL

Hon. Gerald J. Comeau: Could the leader also inquire about the lack of progress by the federal government in the plans for the construction of the West Prince school community centre, in the Tignish region, where there is a strong concentration of Acadians?

The provincial government has committed firm funding, whereas the federal government is still delaying this important project.

Could the minister promise to intervene as soon as possible with his cabinet colleagues to get this project completed for Acadians in Prince Edward Island?

[*English*]

Hon. Jack Austin (Leader of the Government): I will speak to the appropriate ministers to ascertain the situation.

HERITAGE

LIVE 8 CONCERT—COSTS OF STAGING AND CLEANUP

Hon. Donald H. Oliver: Honourable senators, my question is directed to the Leader of the Government in the Senate. This morning it was announced that Canada will participate in a series of Live 8 concerts to be held around the world on July 2. It is hoped that the concerts will raise awareness of global poverty and put pressure on the G8 countries at the summit in Scotland to increase their aid to Africa and cancel the debt of poor nations.

When the concerts were first announced, Mr. Gordon Brown, Great Britain's Chancellor of the Exchequer, said that the British government would waive the costs associated with the staging and cleanup of the concert in London.

Could the Leader of the Government in the Senate tell us whether the federal government will waive the costs associated with the staging and cleanup of Canada's Live 8 concert?

Hon. Jack Austin (Leader of the Government): Honourable senators, I cannot respond to that question at this moment, but I will endeavour to do so before the week is over.

FOREIGN AFFAIRS

TIMETABLE FOR AID TARGET OF 0.7 PER CENT

Hon. Donald H. Oliver: Honourable senators, two weeks ago, Mr. Stephen Lewis, the United Nations Special Envoy for HIV/AIDS in Africa, called upon the federal government to set a timetable by which it will meet a commitment to set aside 0.7 per cent of our GNP for foreign aid by the year 2015. Every G8 nation other than the United States and Canada has set out a schedule to meet this goal. Our Prime Minister and Minister of Finance have so far, however, refused to do the same for our country.

Could the Leader of the Government in the Senate tell us, in advance of the G8 summit, if the federal government will announce its willingness to set out a timetable by which we will meet our foreign aid target of 0.7 per cent of GNP?

Hon. Jack Austin (Leader of the Government): Honourable senators, I have no answer to that question at the moment. I have not seen the agenda of the Gleneagles meeting of the G8. When an announcement is made, Senator Oliver will probably hear it as soon as I do, if not before.

[Translation]

ORDERS OF THE DAY

HIGHWAY 30 COMPLETION BRIDGES BILL

THIRD READING

On the Order:

Resuming debate on the motion of the Honourable Senator Rompkey, P.C., seconded by the Honourable Senator Losier-Cool, for the third reading of Bill S-31, An Act to authorize the construction and maintenance of a bridge over the St. Lawrence River and a bridge over the Beauharnois Canal for the purpose of completing Highway 30.

Hon. Pierre Claude Nolin: Honourable senators, less than two weeks ago I stressed the need for this house to pass Bill S-31 quickly in order to authorize construction of two bridges that will permit the completion of Highway 30 in Quebec.

At the risk of repeating myself, the work has to be carried out according to a very tight schedule. Everything must be completed by December 31, 2009, in slightly more than four years.

In my speech at second reading, I indicated that the Standing Senate Committee on Transport and Communications had to examine two important aspects of the bill and the federal government policy underlying it.

The first concerned the operation of the public and private sector partnership that will permit the construction of the two bridges over the Beauharnois Canal and the St. Lawrence River to complete the section from Châteauguay to Vaudreuil-Dorion.

The second concerned the delays that could be incurred because of the federal government's involvement in the planning and approval of the construction of these two major pieces of the highway infrastructure.

Honourable senators, I am pleased to tell you that we have received satisfactory answers on both these points from the Minister of Transport and his officials, when this legislation was studied in committee.

Let us begin with the selection of a private partner to complete the two bridges.

Honourable senators, the committee was reassured that the fall 2005 deadline for that part of the project respected the terms of the March 2003 agreement reached between the federal government and the Government of Quebec for completing Highway 30.

This is quite significant since, last March the Minister of Transport said in an interview for *La Presse* that he was prepared to drop the private-public partnership concept for completing the project if private-sector involvement continued to raise problems that postpone construction.

According to him, the financial perspective of this scenario did not seem as interesting as expected and, since this is a highway like any other, he wondered about the need for it to be tolled.

Although it seems as if the deadline is being respected, the minister did say that, in the worst-case scenario, if the private sector no longer shows any interest in the project, the obligation to achieve results remains the same for both the federal government and the provincial authorities, as stipulated in the 2003 agreement.

As the Minister of Transport rightly reminded us during his appearance before the committee:

No one believes the pledges made by politicians on Highway 30 anymore. We want to show people that they are wrong and that we intend to stand by our promise.

Thus, both levels of government will have to fully fund the construction of the section from Châteauguay to Vaudreuil-Dorion if the optimistic December 2009 deadline is to be met.

That said, let us now move on to the issue of the federal government's contribution to planning the work, which involves an environmental impact assessment of the bridge sites under the Canadian Environmental Assessment Act.

The environment is a jurisdiction shared between both levels of government under the Constitution Act, 1867, and the law applies to projects for which the Government of Canada has decision-making authority, whether as a promoter, lands administrator, financial contributor or regulatory agency.

We all know that, while necessary, this process, is frequently long and tedious because it is in addition to the provincial process. This can delay by several months the start of construction on highway infrastructure that is central to Canada's economic development.

Once again, Department of Transport officials reassured the committee that these assessments were already under way. Their aim is to identify the potential environmental impact during construction of the bridges and to recommend ways to minimize any significant negative environmental impact that could result.

To this end, the Canadian Environmental Assessment Agency, which is the lead agency here, is working in close collaboration with the Quebec authorities in order to avoid any delays or overlap in the process.

Officials stated that if there were a delay, it would not be because of the environmental assessments.

In conclusion, honourable senators, all that remains is to hope that the federal and Quebec governments will spare no effort to maintain the climate of cooperation and goodwill that currently exists with regard to Highway 30, in order to relieve congestion on our highways in the greater Montreal area by December 2009.

• (1450)

As a Quebecer and, above all, a Montrealer, I believe that it has taken too long to complete Highway 30 and I feel, as does the Minister of Transport, that it is time to do away with the public's cynicism in this regard.

In 1961, President John F. Kennedy promised that an American would walk on the moon by the end of the 1960s. He kept his word. Today, the federal government is promising that, by the end of this decade, drivers and truckers will be happily using Highway 30 to bypass the island of Montreal and its notoriously crowded roads.

Bill S-31 contributes to achieving this objective and, for this reason, I wholeheartedly support it at third reading.

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

Some Hon. Senators: Question!

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGIONS OF QUEBEC BILL

THIRD READING

Hon. Céline Hervieux-Payette moved third reading of Bill C-9, to establish the Economic Development Agency of Canada for the Regions of Quebec.

She said: Honourable senators, it is a privilege for me to speak as we come to the third reading of Bill C-9, to establish the Economic Development Agency of Canada for the Regions of Quebec.

Bill C-9 sets the parameters by which the Government of Canada intends to contribute to the economic development of Quebec. Consideration of this bill began last fall. Canada Economic Development, under the various names it has had over the years, has been working for nearly 40 years to support the spirit of entrepreneurship in women and men, the young and not so young, to help them contribute to regional economic development.

Once adopted, Bill C-9 will give Canada Economic Development the flexibility and tools it needs to stimulate development and apply an integrated federal strategy. Furthermore, the agency will be in a better position to represent the views and interests of Quebec regions in the development of various national policies and programs.

CED's partners in the field, whether from business or community backgrounds, are very much in favour of this

change in status. These include the Canadian Federation of Municipalities, which, through its membership of 199 Quebec municipalities, has voiced its formal support of Bill C-9.

Regional economic development is not just for small and medium businesses or entrepreneurs. It is also for the community, and the community must be fully involved and take charge to ensure success. A number of regions in Quebec are having trouble adapting. For the most part, these are at a distance from Quebec's major centres. Their economies are mainly natural resource-based. Among these are the Gaspé, the Magdalen Islands, Abitibi-Témiscamingue, the North Shore and Northern Quebec.

In addition, many communities in Quebec are vulnerable and depend on one main employer or a dominant sector of activities. We have, collectively, a number of challenges to meet, and each day that passes in the current economic climate reminds us, as Canadians, of our overseas businesses or, on the contrary, a plant that has to close for lack of an economically viable market for its products.

I need only mention the difficulties faced by businesses in the textile sector to convince you of the importance of having everyone — managers and staff of businesses, volunteers working in communities, players in regional development and governments — pay full attention to innovation and improved productivity in our businesses.

Through its IDEA-SME program, Canada Economic Development directly supports businesses involved in targeted projects — such as in export and innovation — that are setting out on the path to the future. In 2002, many new businesses set up in Quebec had fewer than 100 employees.

Today, the world is presenting opportunities for us to create wealth and is encouraging us to become more productive, inventive and flexible. A number of businesses and sectors of activity in Quebec are still too vulnerable to sudden changes in the world economy. So, it is up to responsible government, such as ours, to support our businesses and guide them so they can adjust or change their approach, their manufacturing processes or their products.

Within the context of its various programs, Canada Economic Development has contributed to the pre-start-up and start-up of nearly 2,800 businesses across Quebec.

As a general rule, the businesses receiving funding from Canada Economic Development significantly increased their annual sales and number of employees. Close to three-quarters, or 73.9 per cent, of the businesses would not have been able to bring their projects to fruition without its financial support, while others could not have done it at the same rate or with the same scope. Moreover, the agency's average cost recovery is 75 per cent of the repayable contributions, one of the government's best.

Honourable senators, I want to point out that the softwood lumber dispute with the United States prompted the Government of Canada to put forward various measures, particularly in Quebec, in support of businesses and communities in crisis.

Canada Economic Development created a program to help those regions in Quebec hit hard by this dispute. This program focuses on the diversification of affected regions and the creation of new niches.

For the year 2003-04, the agency approved 295 projects totalling approximately \$32 million. This support allowed some 2,300 jobs to be maintained and another 1,700 jobs to be created in those communities affected by the softwood lumber crisis.

In the Gaspé and Magdalen Islands region, which was particularly affected by the moratorium on cod fishing, Canada Economic Development created a special renewal program. This initiative was primarily aimed at contributing to economic diversification by ensuring that new development opportunities were not overlooked. This program has also made it a priority to support various activities with spinoffs and a promising long-term future.

Honourable senators, there is no longer any doubt today that the social economy makes a significant contribution to the success of our communities. In economic terms, it leads to job creation and wealth. It also makes a significant social contribution, since it helps reinforce community cohesion by fighting the youth drain and the marginalization of some members of our society.

Under the terms of Bill C-9, the minister responsible for Canada Economic Development must cause to be laid before each House of Parliament a comprehensive report evaluating all the agency's activities.

In closing, I want to invite all senators to vote in favour of Bill C-9 so that Canada Economic Development can have the tools and flexibility it needs to continue its work with Quebec companies and communities.

• (1500)

I am sure that every effort will be made by Canada Economic Development to respond to the aspirations of the people of the regions of Quebec.

It is an extremely important mandate, honourable senators, and Bill C-9 will allow us to make the efforts Quebecers want us to make in order to achieve it.

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

In my speech on June 8, I indicated that a media line published by the government mentioned that this enactment did not make any changes to the mandate or operation of the agency. Nevertheless, I still wanted to get some clarifications on one of the provisions of the bill during the work of the Standing Senate Committee on National Finance.

On this side of the chamber, we are most certainly in favour of federal economic development policies for the regions of Quebec. We hope they are drafted and applied based on the specific needs of the regions of Quebec, especially those experiencing major economic difficulties. We also want such policies to be

transparent and productive. Subclause 16(4) of Bill C-9 stipulates that in order to exploit the opportunities for improvements in employment identified in a designated area or community, regulations specially applicable to that area or community may be made that vary from regulations of general application to Quebec.

A similar provision already exists in the Atlantic Canada Opportunities Agency Act. Since this was an extraordinary power being entrusted to the minister responsible for the Economic Development Agency of Canada for the Regions of Quebec, it was important to determine how he would be monitored.

It is an important issue, since the definition of "designated areas" and the criteria used in their creation will be determined by regulation. When he appeared before the committee, the minister responsible for the agency, the Honourable Jacques Saada, said that this provision, while extraordinary, was necessary. Its aim was to ensure greater flexibility in federal government interventions in regions requiring a quick intervention to support businesses temporarily in serious economic difficulties.

By way of example, when Bill C-9 is passed, the federal government could use it to attenuate the negative economic effects of the new forest management policy announced by the Quebec government in May. This policy provides for a 20 per cent reduction in the annual allowable cut, something that threatens the survival of many sawmills and hundreds of jobs. The regions affected by this decision, which my colleague cited, such as the Outaouais — yes, right here — Abitibi-Témiscamingue, the Saguenay—Lac-Saint-Jean region and the North Shore could be declared designated under this new provision. The minister reassured the committee that this power would not be used indefinitely. According to him, it will be rigorously monitored to ensure that federal aid for regional development does not take the place of the efforts by the communities and the businesses in the designated areas to improve their economic situation.

The Conservative Party subscribes to that approach. With the reassurance provided by the minister, I would encourage all senators to support Bill C-9 at third reading.

Honourable senators, I will just refer in closing to a point that I feel is important: that the statements on designated zones must respect subclause 2 of clause 10 of Bill C-9, as well as subclause 1 of clause 11.

I will explain. These two significant provisions, which I explained in great length on June 8, specify that the federal government must define its regional development interventions in conjunction with the Quebec and local authorities. It is my sincere belief that the minister responsible for the Canada Economic Development Agency for the Regions of Quebec ought to also apply them when establishing the designated zones.

In other words, I hope that the Government of Quebec will be consulted and that this will not be a unilateral decision, although I doubt the minister would act unilaterally. His assistance must, first and foremost, meet the immediate needs of the regions

affected by a temporary economic crisis and not be intended to achieve other objectives. Thus, cooperation between the two levels of government is crucial to guarantee the success of the measures undertaken in a designated zone.

I therefore encourage honourable senators to adopt Bill C-9 at third reading.

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

Hon. Senators: Agreed.

Motion agreed to and bill read third time and passed.

[*English*]

APPROPRIATION BILL NO. 2, 2005-06

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Day, seconded by the Honourable Senator Banks, for the second reading of Bill C-58, An Act for granting to Her Majesty certain sums of money for the public service of Canada for the financial year ending March 31, 2006.

Hon. Donald H. Oliver: Honourable senators, through Bill C-58, we are being asked to approve \$46 billion of the spending outlined in the Main Estimates. This essentially represents the \$66 billion amount of non-statutory spending set out in the Main Estimates minus the funds that we voted through the interim supply in March.

Yesterday, Senator Day provided a rather detailed summary of the highlights of that spending, so I will not repeat his remarks, but I would like to point out to honourable senators that Senator Day neglected to mention two items that had the attention of members in the other place: the \$85 million annual cost of running the firearms registry, which does not work, and the \$1 million cost of setting up a war room in the Privy Council Office to deal with the Gomery inquiry.

The background of this supply bill is the same as that of every other supply bill. We do this almost as a matter of routine each March, June and December. The process of supply exists because the government of the day needs Parliament's permission to spend money, and spending authority granted through the estimates is usually only for one fiscal year. The executive cannot run the affairs of state without coming to Parliament for permission to spend money. Very simply, supply is the process through which the government receives approval to spend from Parliament and, thus, is at the heart of our system of parliamentary government.

In some cases, such as Old Age Security and interest on the debt, we have already given approval through existing statutes. In other cases, we are called upon to vote the required sums. Through the estimates, we are informed of the government's

spending plans and are afforded the opportunity to question those plans and to deny some or all of the funds requested, although this power is rarely exercised.

Supplementary estimates seek additional spending authority later in the year. In an ideal world, there would be very little need for supplementary estimates because the Main Estimates would cover virtually all of the government spending, but certainly not all needs can be foreseen in advance, the flood waters now advancing through Alberta being a very real and current example. Further, in some years, the decisions made as part of the budgetary process come too late to be included in the Main Estimates.

In my remarks on Bill C-43 last night in this chamber, I gave the example of the \$70 million for sports that will be advanced in Supplementary Estimates (B) as well as new funding for defence. We sometimes wonder, however, if some of those spending decisions are held back for purposes of allowing the Minister of Finance to announce them in his budget, making it easier for him to sell the entire package.

• (1510)

Both our chamber and the other place have longstanding processes in place for the examination of estimates — processes that are intended to ensure that supply is obtained in a timely fashion. If not, our staff would be rather upset if their paycheques were delayed.

Several years ago, the other place adopted a process by which estimates and supplementary estimates are referred to the various standing committees for examination and then, if they have not been reported by a set date, are deemed to have been reported. As long as the government adheres to the parliamentary calendar for tabling estimates and provides the opposition with a set number of supply days in which they may pick up the business to be debated, at the end of the last supply day, the other place deals with the appropriation act at all stages.

Here in the Senate the process is different. Estimates and supplementary estimates are traditionally referred to the Standing Senate Committee on National Finance, which has as its field of interest government spending, either directly through the estimates or indirectly through bills. While we will question officials from the Treasury Board on the contents of the Main Estimates and supplementary estimates at an early date, the estimates are before our committee for an entire year, a 12-month period, allowing us to conduct more detailed studies of several areas of expenditure, such as this spring's examination that we conducted on foundations.

As the estimates are before us for an entire year, and because Treasury Board officials have already been questioned on the spending in the bill, we do not usually send a supply bill to another standing committee.

While we have the power to hold up supply and to reduce certain amounts, it would be highly unusual for us to do so in this chamber. In the last dozen years, the official opposition has always cooperated in ensuring that supply bills are passed on time. We trust that, when the Conservatives are sitting on the government side of this chamber, honourable senators opposite will extend the same courtesy to us.

Honourable senators, the exception to the rule that spending must be approved by Parliament is the special warrants issued by the Governor General when Parliament is dissolved for an election, and that could very well have been the case this spring had events turned out differently. There is still a very good chance that the special warrant device will be used later this year. If the government were to lose the confidence of the other place this autumn, some of the spending that would normally be approved through Supplementary Estimates (A) in December would likely be authorized through warrants. If the Prime Minister calls an election as promised, 30 days after Justice Gomery reports, then there is a good chance that Parliament may not yet be in session in March when the time comes to vote Supplementary Estimates (B), or next year's interim supply.

I would urge the government to be careful in the manner in which it uses this device in approving new spending. Four and one half years ago, following the 2000 election, special warrants, you will recall, were used to send heating rebate cheques to prisoners and the grateful dead.

Finally, honourable senators, I would make a brief observation about a bill that is not yet before us but which may be shortly. Before we rise for the summer, it is expected that the government will ask that we approve some \$4.5 billion in spending through Bill C-48, the so-called NDP budget bill. While its main purpose is to allow the government to spend money, as some have suggested, on almost anything and by just about any means, it is far from being the kind of spending bill that we are used to receiving in this chamber.

Unlike the estimates, which are at least part of a plan, there is virtually no detail in that bill. We understand that officials who would normally provide details in committee on how the money is to be spent are themselves still trying to sort this out. The government should not expect as easy a ride with Bill C-48, if and when it should arrive, as it will receive this week with Bill C-58.

Motion agreed to and bill read second time.

The Hon. the Speaker *pro tempore*: When shall this bill be read the third time?

On motion of Senator Rompkey, bill placed on Orders of the Day for third reading at the next sitting of the Senate.

BUDGET IMPLEMENTATION BILL, 2005

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Eggleton, P.C., seconded by the Honourable Senator Robichaud, P.C., for the second reading of Bill C-43, An Act to implement certain provisions of the budget tabled in Parliament on February 23, 2005.

[Senator Oliver]

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, I am pleased to rise today to speak to Bill C-43, entitled the Budget Implementation Bill, 2005. Some improvements have been made to the bill since it was first tabled. Perhaps it is more accurate to say that we managed to salvage something out of it, thanks to the hard work of our Conservative colleagues in the other place.

In particular, large employers will continue to see some tax relief, for now, anyway. The Liberals have been most unclear about just where they stand in this matter and what will happen in the coming months. Originally they said that they wanted to implement tax cuts because it would create jobs. Then they played partisan politics, linked up with the NDP to save their political skins, and said they would strike this clause from the bill. A splash of cold economic reality, thrown in by the people who actually employ Canadians, woke them up, and they put the provision back into the bill.

However, because the Liberals wanted to hang on to their new NDP buddies, they tabled Bill C-48, the NDP budget bill, which will undo the tax cuts to Canadian employers. This is unfortunate, because, according to the C.D. Howe Institute, undoing the tax cuts could cost as much as 340,000 jobs.

We should not worry because the Liberals have said that they will undo the damage done by that bill at some point down the road.

This clear-as-mud type of policy-making indicates little planning or forethought and is typical of this Liberal government. It is what Canadians will have to put up with until the next election. My only hope is that, until that time, the government will not have done too much damage, committing tax dollars we have not yet collected or promising away government funds for years to come.

Ironically, Paul Martin, who has spent or promised away \$28 billion since he begged Canadians not to fire him in April, lays claim to slaying the deficit. Our new colleague, Senator Eggleton, also pointed out that, since 1997-1998, the government has reduced the federal debt by a fair amount. What these Liberals failed to mention was that they were able to bring down the deficit and lower the debt thanks to the policies of the Mulroney Conservative government.

Senator Kinsella: Hear, hear!

Senator Stratton: I thought you would like that line.

Remember the GST that Jean Chrétien promised to cut? Remember that? By March 2006, the Liberals will have collected \$284 billion from that same GST, the one they promised to cut — \$90 billion in the last three years. They have collected \$90 billion in the last three years. Remember that. They have collected \$284 billion.

The difference between the Liberals and the Conservatives is that the Liberals, through heavy taxes, waste, corruption and just plain bad policy-making are forcing Canadians to bear an ever-growing financial burden. The HRDC boondoggle, the gun registry and adscam are just a few examples of how the Liberals have thrown away taxpayers' dollars.

• (1520)

In Paul Martin's second budget as finance minister, he cut what would be a cumulative \$25 billion from cash payments Ottawa gives to the provinces for health care. The provinces were forced to respond by cutting the health care they provide to Canadians. The inevitable happened. Just this month, the Supreme Court of Canada found that in at least one province waiting lists in the public health care system are so long they violate a person's right to life, liberty and the security of the person. In other words, the Liberals may have slain the deficit, but they did it on the backs of Canadians and in violation of the Charter of Rights and Freedoms.

Remember: \$25 billion, health care; \$284 billion, GST.

Honourable senators will recall that, last year, Tax Freedom Day fell on June 28, just about halfway through the year. According to the Fraser Institute, the total tax bill of the average Canadian family has increased by 1,550 per cent since 1961.

In addition to the GST, Canadians are paying through the nose on income taxes, CPP premiums, property taxes, sales and excise taxes, motor vehicle taxes and, in particular, Employment Insurance premiums — surprise, surprise! The Liberals have taken the Employment Insurance account and have turned it into a cash cow. By March 2006, the EI account will have a cumulative surplus of an unprecedented \$49 billion.

Remember: \$25 billion, health care; \$284 billion, GST; and now EI, \$49 billion — for a total of \$358 billion. Do Liberals expect the Canadian people to believe that that is good management? Taxpayers' money is being wasted, and the Liberals are foolishly telling them that their money is being well spent.

Senator Kinsella: What have they done with the money?

Senator Austin: Are Canadians better off now than they were in 1961 or 1991 or 2001? The answer is yes.

Senator Tkachuk: No, they are not. Canadians are poorer today than they were 10 years ago.

Senator Stratton: The 2005 budget does change how EI premiums will be set, but the surplus in the account will remain and it will play no role in setting those premiums. The original reason for an EI surplus was to provide a cushion to prevent future premium increases. I suppose the EI surplus could be used to pay for the ballooning costs of the gun registry, or the next sponsorship scandal or boondoggle that might be lurking around the corner.

This government has proved itself to be quite creative in finding ways to waste Canadians' money. I am concerned that the early learning and child care initiative could be a problem. Honourable senators, look at what the budget is actually offering and contrast it with the real needs of Canadians.

Bill C-43 allows \$700 million to be paid to a trust fund that would make money available to the provinces for early childhood education and child care. The budget assumed no transfers during fiscal 2005-06 and payments totalling \$4.3 billion in the following four years.

There is little detail in this plan, which previous experience has shown is a recipe for bureaucratic growth and skyrocketing costs. There is little flexibility here.

How will it help families who live or work outside of an urban centre, or families who rely on shift work or part-time work, or families where one parent stays at home or works from home? These are the people who need child care support the most and they are the ones who will not get it under such a structured program.

We need to be sure that we are putting in place good policies that will meet the needs of Canadians.

Let me be very clear on this important matter. The Conservative Party supports a child care policy, but one that meets Canadians' needs — a policy that gives parents choice and flexibility. We support putting money directly into the hands of parents, who would decide what is best for their children.

Governments, especially this Liberal one, do not seem to be very good at taking care of children. The rate of child poverty is only one example of where the government has failed. After several years during which the rate of child poverty dropped, it increased in 2002 to 14.9 per cent, right back to the level when we first declared war on child poverty in 1989.

The true picture of child poverty is even worse than this level of almost 15 per cent would suggest. According to the *2004 Report Card on Child Poverty in Canada*, during the boom years of 1996 to 2001 — and I quote — “2.1 million children were exposed to poverty for at least one year — that is one third of all children in Canada.” Let me repeat: During the good years, coincidentally under the Liberal watch, fully one third of all children in Canada lived in poverty.

The report also found that low-income families are still in deep poverty, living on average \$9,000 below the poverty line.

This government's strategy of high taxes, high spending, waste and corruption, along with a lot of lip service, has done nothing to help children who are living in poverty; nor has it eased the financial burden on Canadian taxpayers or made health care work for Canadians.

As Senator Oliver said last night when he quoted from *The Economist's* “drunken spender” article, “Paul Martin now has nobody else on whom to heap the blame.”

Some Hon. Senators: Hear, hear!

Hon. Jack Austin (Leader of the Government): Honourable senators, I should like to deliver a very different speech to the Senate, one based on facts and analysis rather than endless attempts at self-justification and historical review.

Honourable senators, I am pleased to take this opportunity to add my remarks to those of my worthy colleague Senator Art Eggleton regarding Bill C-43, which contains important proposals from Budget 2005. To begin, Senator Eggleton delivered yesterday a strong justification for the expeditious passage of Bill C-43. His presentation was well reasoned and demonstrates the solid social and economic policies put forward by the government, policies that will be to the great advantage of millions of Canadians from coast to coast to coast.

In the first instance, I shall focus my remarks today on the measures that the opposition parties moved to have severed from this bill. I am speaking of the corporate tax reductions and environmental measures, as well as the agreement on offshore resources with Nova Scotia and Newfoundland and Labrador. I would then like to share with honourable senators some observations on the economy and some specific issues that I believe are of importance.

First, as honourable senators know, the government has an understanding with the New Democratic Party group in the House of Commons to assist passage of Bill C-43. Consequently, certain corporate tax measures have been removed from this bill in return for further investments from unplanned surplus funds, namely, in affordable housing, post-secondary education, the environment and foreign aid, which measures are contained in Bill C-48, a companion budget bill now being considered in the House of Commons. All of these measures are important priorities for improving the quality of life for Canadians. Bill C-43 and Bill C-48 will enhance significant investments in these areas already made by the government.

However, at this time, while we are supporting the elimination from this bill of measures that reduce corporate taxes for large Canadian corporations, I want to make it clear that the government has every intention of bringing them back in separate legislation as soon as possible. The original economic strategies of Bill C-43 designed to stimulate productivity and new investment remain a key priority for the government. Let me tell you why.

In today's global economy, capital is highly mobile internationally and a competitive tax system is critical to fostering business investment in Canada.

• (1530)

New capital investment improves productivity, which, in turn, leads to economic growth, higher wages and higher living standards. Honourable senators, the need for competitive business taxes is well understood, and most industrialized countries are significantly reducing their corporate tax rates.

Since 1997, 25 of the 30 member countries of the Organization for Economic Cooperation and Development, or OECD, have reduced their corporate income tax rates, in some cases quite substantially. The government's approach to improving the competitiveness of Canada's business taxes has been to reduce tax rates while simplifying the tax structure.

As my colleague Senator Eggleton said yesterday, the historic Five-Year Tax Reduction Plan introduced in 2000 reduced the

general rate of corporate income tax to 21 per cent from 28 per cent, levelling the playing field for Canada's service sector and creating a tax rate advantage for investment in Canada.

Budgets 2003 and 2004 further enhanced Canada's tax competitiveness by phasing out the federal capital tax by 2008, reducing the tax rate on resource income to 21 per cent by 2007, while improving the tax structure applying to this sector and increasing capital cost allowances for computers and broadband and Internet equipment.

As a result of these tax measures, there is little doubt that Canada's tax competitiveness has improved. In particular, Canada has created a tax rate advantage over the United States. Since our economy is so highly integrated with that of the United States, I trust honourable senators can appreciate the importance of ensuring that Canada's business taxes are competitive with that country.

You may recall that last year the United States legislated a plan to reduce its corporate tax rate on manufacturing income by an equivalent of 3.15 percentage points by 2010. As a result, Canada's tax rate advantage would be significantly diminished for certain sectors if no action were taken. That is why Budget 2005 originally proposed a two-percentage point reduction in the general corporate income tax rate to 19 per cent from 21 per cent by 2010. As well, the budget proposed the elimination of the corporate surtax in 2008. Its elimination is equivalent to a 1.12-percentage point reduction in the general corporate income tax rate. Given the importance of maintaining Canada's statutory tax rate advantage vis-à-vis the U.S., these proposed changes will be brought forward in new legislation as soon as possible.

Honourable senators, the government has made significant investments over the years to preserve our natural environment and to address climate change. Budget 2005 is no exception. The investments in Budget 2005 total over \$5 billion over the next five years, including over \$3 billion of new funding.

First, there is \$1 billion for an innovative clean fund to further stimulate cost-effective action to reduce greenhouse gas emissions in Canada. There is also \$200 million to support the development of a sustainable energy science and technology strategy. Let us not forget the \$225 million investment to expand the successful EnerGuide for the Houses Retrofit Incentive program for Canadians.

There is much more support in Budget 2005 for Canada's Green Plan, which has overwhelming public support. Canadians well understand the importance of clean air, water and land. That is why it is surprising that the opposition has requested that certain clauses in Bill C-43 establishing the greenhouse gas technology investment fund be removed from the bill.

Honourable senators, this fund would be an important part of the government's climate change plan. The plan would establish a mandatory system of emission reductions for Canada's large emitters. Up to a limit established by the responsible minister, as set out in the bill, the clauses in question allow contributions by industry for technology development to count for compliance

with their emission targets. Project Green indicated the limit would be nine megatonnes per year, representing 20 per cent of the total target set for large emitters.

This provision is good for innovation and competitiveness and promotes long-term reductions that fight climate change. Industry supports it as an important part of the emission reductions system, and the government supports it.

Honourable senators, this part of Bill C-43 represents an opportunity to improve our quality of life that cannot and must not be passed up.

Another proposal in Bill C-43 that cannot be delayed further is the agreements with Newfoundland and Labrador and Nova Scotia regarding their offshore resources. I am not clear as to the opposition's intent in repeatedly asking to sever the funding for these agreements from Bill C-43. It does, however, provide an opportunity to remind this chamber, and all Canadians, of the vision and values the government brought to the table with these agreements. It is a vision that recognizes a one-size-fits-all approach to federalism is not now — and never has been — the strength and success of our nation.

Of course, in the eyes of some, it might be easier for the federal government to treat all the provinces and territories as though they shared the same geography, the same history, the same resource base, and indeed, the same level of economic development. However, such an approach cannot possibly work. We are a diverse country with unique regional concerns, and the government understands that.

Fairness involves more than applying the same cookie cutter treatment to all provinces. Rather, fairness is about ensuring that all Canadians can share in the promise of our society, regardless of where they live in this great country.

These were the values at work when our government renewed its existing offshore revenue agreements with Newfoundland and Labrador and Nova Scotia earlier this year. The authority for funding those agreements is reflected in this proposed legislation, so why delay further? As soon as this bill receives Royal Assent, the money can start to flow so that these two provinces can start on the road to overcoming the serious economic and fiscal challenges that they are currently facing.

Under these accords, Nova Scotia and Newfoundland and Labrador will continue to receive 100 per cent of their offshore resource revenues, no matter what the price of oil and gas may be. As promised by the Prime Minister, this deal will give both provinces 100 per cent protection from equalization reductions for eight years as long as they continue to receive equalization payments.

As recognized in Bill C-43, the agreements will also provide the provinces with substantial upfront payments: \$2 billion for Newfoundland and Labrador and \$830 million for Nova Scotia, giving them the immediate flexibility to address their unique economic and fiscal challenges.

In short, the Government of Canada recognizes that this is a national problem, because that is what we do as Canadians: We help one another in times of need. It is in the interest of all Canadians to see that these provinces get back on track so that they can plan their futures and the future of their generations to come.

Summing up, I would make it clear why the government made the decisions it did regarding the provisions in this bill. Primarily, we wanted to ensure that the bill received timely passage. The measures contained in Bill C-43 deliver on commitments this government has made to Canadians on key social and economic priorities.

Just look at what this bill delivers to Canadians as outlined by Senator Eggleton. It will increase the basic personal amount of income that all Canadians can earn tax-free. It will increase RRSP limits to help Canadians save for retirement. It will invest in early learning and child care programs. It will increase the GIS payments to seniors. It will provide initial funding for the sharing of the gas tax to municipalities.

I could go on, but I do not want the Conservatives to be too uncomfortable.

Senator Tkachuk: Please.

Senator Austin: Let me conclude by stressing that all the good things in this bill, and more, will be accomplished within a disciplined fiscal framework committed to balanced budgets and no return to a deficit. Such an approach provides the foundation for sustained national well-being for today and for years to come.

Let me now turn to an aspect of the Canadian economy which bears high priority. While many concern themselves with the reduction of large corporation taxes — and that is an issue we must not lose sight of if Canadian-based corporations are to remain globally or at least regionally competitive — we must also not lose sight of the problem that the net income of Canadian workers has been shrinking or not growing over the last decade or so.

TD Bank Chief Economist, Don Drummond, in an April 2005 statement, advised that workers' earnings have been stagnant for 15 years once inflation and taxes have been taken into account. He said that, on an after-tax, after-inflation basis, wages had only gone up 3 per cent since 1989. Dr. Drummond stated:

Not to take away that corporations need to be competitive with the rest of the world, I think the No. 1 problem we've got in taxation right now is the very high marginal tax rates facing individuals.

• (1540)

In a recent review of the Canadian economy, Statistics Canada noted that profits have increased relative to wages and salaries in recent years. It said:

In fact, labour's income share of GDP fell to less than half, actually to 49.4 per cent last year for the first time.

This can be compared to the April 2005 report of the TD Bank, which advised that corporate profits have been rising at an unprecedented pace and are now at an all-time high. In addition, even after paying taxes, corporations hold a record level of retained earnings.

It is of some concern that in 2004 Canada's productivity growth was flat. Without productivity growth, Canada cannot improve and might not even be able to sustain its standard of living. Productivity climbs when economic output increases faster than the hours worked. As reported in *The Globe and Mail* of June 10, 2005, StatsCan advised that the combination of a stronger Canadian dollar and no productivity growth produced an 8.5 per cent jump in Canadian unit labour costs on a year-over-year basis, which was more than double the U.S. figure.

Productivity gains will depend on investing in public infrastructure, including new border crossings and new trading gateways such as our Pacific Coast and the Windsor-Detroit crossing. It depends on both public- and private-led research and development. Canada has had great success with research investments through the Canadian Foundation for Innovation and has the best tax incentives for the private sector, which, however, are still underutilized.

However, one bright spot for the Canadian economy in 2004 was manufacturing, which, according to StatsCan, operated at 87 per cent of estimated potential output, up from 86.5 per cent. Computers and electronics operated at 91.6 per cent, up from 85.2 per cent. Machinery is at 91.5 per cent compared with 88 per cent.

Among the good news for Canadian manufacturing is the announcement in May 2005 by Toyota Motor Corporation that it will build its seventh North American plant in Woodstock, Ontario. This investment of about \$600 million will be in production by 2008 and will employ hundreds of skilled workers.

There is much discussion in Canada these days about the predictability in the performance of the Canadian economy and the consequent revenues of the federal government. We live in a world where much of our economic weather comes from the United States, so a short review is useful.

While there is considerable uncertainty about the U.S. economy in the three- to five-year period ahead, Canadians should be pleased with the reassurance offered by Federal Reserve Chairman Alan Greenspan to the U.S. Congress Joint Economic Committee on June 9, 2005. In his testimony, Mr. Greenspan advised that the U.S. economy is on a "reasonably firm footing" and is not directed toward "worrisome inflation."

It now seems clear that aggressive tightening of credit is unlikely. The U.S. Federal Reserve will raise interest rates when required at a "measured" rate, which is, as much as anything, related to the rise and, hopefully, fall of energy prices.

One of the key signs of current economic stability referred to by Mr. Greenspan is the U.S. unemployment rate, which declined to 5.1 per cent in May, the lowest since September 2001. Consumer confidence in the United States remains solid, with the housing

industry leading the way with record volumes of new units and turnover. This confidence is significantly based on asset appreciation and refinancing, which has allowed held capital to be re-circulated back into the U.S. economy. Of course, it has also raised consumer debt with unknown future consequences.

Mr. Greenspan, in answer to questions, said that globalization and the emergence of low-cost pools of workers in China, India and Russia is making the production of just about everything cheaper, which in turn has kept inflation and mortgage rates lower. In the United States, long-term rates have been falling while short-term rates are rising, which Mr. Greenspan describes as a "conundrum."

These long-term rates have allowed mortgage rates to move to a new low, creating in the U.S. a rise in home prices of more than 40 per cent between 2000 and 2004. One verity about nearly everything created by humans is that nothing stays the same forever. At some point, long-term rates will rise and, with them, many adjustments, both macro and micro. Hopefully, both monetary and fiscal policy in the United States and elsewhere will be managed in an accommodating way.

With respect to the world economy, the Organization for Economic Co-operation and Development, in its biannual Economic Output, published on May 24, 2005, predicts that the global growth average for 2005 will be at 2.6 per cent. Canada's economic growth is predicted at an above average 2.8 per cent for 2005 and 3.1 per cent in 2006. Their summary states that Canada's economy is operating "slightly below potential, although most economic fundamentals have remained sound."

The OECD reduced its figures for global growth from an earlier prediction of 2.9 per cent, blaming a slower than expected recovery in Japan and a stagnant European economy. The OECD placed its U.S. growth forecast at 3.6 per cent, which confirms, in part, Alan Greenspan's own presentation, to which I have referred.

Honourable senators, I think I have demonstrated that the government is on the right course in managing the Canadian economy. We have managed eight budgetary surpluses while at the same time reducing the taxation of Canadians by well over \$100 billion. We have addressed health care, child care, municipal infrastructure, research and education, and housing and international assistance, while expanding the Canadian economy.

Honourable senators, this budget, Bill C-43, is the right budget for Canada. With its companion, Bill C-48, it maintains Canada on a steady course for fair shares of growth for all Canadians. Bill C-43 deserves the support of all senators.

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

Hon. Senators: Question!

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

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Eggleton, bill referred to the Standing Senate Committee on National Finance.

DEPARTMENT OF SOCIAL DEVELOPMENT BILL

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Carstairs, P.C., seconded by the Honourable Senator Fairbairn, P.C., for the second reading of Bill C-22, An Act to establish the Department of Social Development and to amend and repeal certain related Acts.

Hon. Terry Stratton (Deputy Leader of the Opposition): Honourable senators, I am pleased to speak today to Bill C-22, to establish the Department of Social Development. This department, along with the Department of Human Resources and Skills Development created with Bill C-23, replaces the former Human Resources Development Canada, or HRDC — letters that are very familiar to us. This means that the department that was home to the “billion-dollar boondoggle” is gone. With this legislative sleight of hand, that embarrassing episode is swept under the carpet and out of sight; the problem is solved.

I give the Canadian taxpayers more credit than that. I do not think they can be fooled by partisan manoeuvring. However, I do believe that some institutional change was needed after the former Auditor General, Denis Desautels, found massive mismanagement in HRDC, along with \$1 billion in unaccounted for spending. It seemed that most of the money went to Liberal-held ridings, some of which did not even qualify for funding.

That particular scandal was just one of many that have plagued this Liberal government over the last 11 years. Remember Shawinigate? How about Paul Martin’s so-called blind trust or the politically-motivated Airbus inquiry that cost \$6.4 million and turned up nothing? I could go on, but I think honourable senators get the point. I would rather leave this discussion for another time so we may return to the bill at hand.

• (1550)

My disappointment in considering Bill C-22 is that we have had to wait so long to even look at the bill. The Department of Social Development was created by Order-in-Council in December 2003, but for some reason Paul Martin waited for almost a year before even tabling the legislation to back the department. Even accounting for the election that was held last year, it seems like an excessive amount of time.

Unfortunately, this makes the whole debate of whether Parliament should support the division of HRDC into two departments rather awkward. We all know that the costs of trying

to put the two departments back together at this point would be astronomical, and the costs would far outweigh the benefits. Consequently, I will not suggest we do that. I have too much respect for taxpayers to foist unnecessary spending on them.

I am not sure why Paul Martin put Parliament in the position of effectively rubber-stamping this new department, but I do know that he has shown once more how little he thinks of this place he claims to respect. He has clearly not involved Parliament more in the democratic process, a key promise of his and one that he has repeated several times. Instead, he is showing contempt for Parliament, just as he did when he ignored the vote in the other place against splitting up the old Department of Foreign Affairs and International Trade.

There are at least some positives in this bill. It includes protection and security of personal information. Identity theft is a very real problem to which we need to give serious attention. It also approves services delivery through one-stop shopping, giving Canadians one place to go for the programs they need.

However, senators, I want to draw your attention to a concern I have. In particular, I want to focus on a problem with how the Department of Social Development administers one of its programs, namely the Guaranteed Income Supplement, or GIS. This supplement is provided to low-income seniors in addition to Old Age Security.

This is a fitting time to mention this matter. We have just celebrated the sixtieth anniversary of VE Day and this is also the Year of the Veteran. Perhaps now is a good time to correct a significant policy flaw and ensure that Canadian seniors and our Second World War veterans, to whom we owe a debt we cannot even begin to pay, get all the benefits to which they are entitled.

Like many Canadians, I was pleased to see the increase in the GIS announced in the last budget. However, because of the way the program is currently set up, many seniors in long-term care may not see a dime of this money.

In most provinces, seniors in long-term care surrender their entire OAS cheque and supplement to their nursing home, which gives them a very small, fixed-comfort allowance currently set by the provincial government. For example, in Ontario, it is set at \$116. That comfort allowance is meant to cover clothing and toiletries, as well as other personal items such as glasses and mobility aids. Unless there is a deal between Ottawa and the provinces requiring that the comfort allowance be raised at the same time that the GIS is increased, seniors in long-term care may not see a dime of any increase in the supplement. The money will go to the province or the nursing home operator. This is wrong.

Honourable senators, there is an opportunity for change here that will improve the quality of life for seniors by increasing the amount of money they will have in their pockets. This is an issue that we will need to address at committee.

I am also concerned about the potential for waste in such a large department. It is a department that touches seniors, children, families, the disabled, volunteers and more. Potentially, it has something for just about every Canadian at

some point in their lives. We need to be watchful that the funds from this department go to the people to whom they were intended and not feed a bureaucracy that is growing out of control or be sucked down into another scandal-ridden hole.

Let us not forget that about half of what Canadians earn each year goes to taxes in some form or another. Half of their paycheque is swallowed by massive government. This is staggering and, quite frankly, a situation that simply cannot continue. Honourable senators are already familiar enough with my call for tax cuts, but this underscores our need to be sure that every dollar that comes from this department is properly spent. The money comes from Canadian taxpayers, not from thin air. We need to be accountable to them about how we spend their money.

While I am quite disappointed that we have not had a real opportunity to discuss the creation of this department, my hope is that we will use this opportunity to do what we can to improve how this new department operates.

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

Hon. Senators: Question!

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

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

On motion of Senator Rompkey, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.

• (1600)

CANADA BORDER SERVICES AGENCY BILL

SECOND READING—DEBATE CONTINUED

Leave having been given to revert to Order No. 7:

On the Order:

Resuming debate on the motion of the Honourable Senator Banks, seconded by the Honourable Senator Corbin, for the second reading of Bill C-26, An Act to establish the Canada Border Services Agency.

Hon. J. Michael Forrestall: Honourable senators, thank you for granting me leave.

I regret that the Leader of the Government is not here. I should like to remind him that, when I came to these shores, total government spending was around \$6 billion, including the deficit. What is our surplus this year?

Honourable senators, it is my great pleasure to speak to Bill C-26, to establish the Canada Border Services Agency. The bill is essentially an enabling piece of legislation. It is said that the

Canada Border Services Agency, CBSA, has been in existence since September of 2003, and it has taken almost two years for the government to get a bill to second reading here in the Senate. It speaks volumes about the government's lack of speed when it comes to addressing national security in a post-September 11 world.

Our neighbours in the United States continue to be concerned about security. Recently, U.S. Secretary of State Condoleezza Rice expressed her concern about the Canadian border when she stated, "Indeed we have from time to time had reports about al Qaeda trying to use our southern border but also trying to use our northern border."

Senator Hillary Clinton echoed those concerns about the northern security issue and introduced a bill that would establish a northern border coordinator in the United States Homeland Security Department, in order to focus exclusively on the increasing, as some people saw it, issue at the Canada-U.S. border.

Honourable senators, in April, United States Congressman Mark Souder called upon Canada to focus more on security and to give border security the proper resources and attention. He was concerned about the non-existent or flawed computer checks on incoming passengers and database systems designed to warn border agents at land crossings about high-risk travelers. His concern was that the systems were inadequate and contained a programming limitation, consistently preventing border officials from knowing if they were dealing at any point in time with an armed and dangerous fugitive or even terrorists on the FBI top watch list. It seems incredible that we would have antiquated, out-of-date computer systems that do not allow us to share information with the United States, let alone share that information with our own security agents and policing authorities.

The RCMP criminal intelligence unit, in its 2004 annual report, noted that organized crime will continue to exploit the large volume of land and commercial and travel movement between the United States and Canada to smuggle commodities, currency and people in both directions. As well, organized crime will exploit the less monitored areas between the designated custom ports of entry.

Somewhat shockingly, we have heard reports about 1,600 vehicles crossing the border last year without being stopped. Reports described those 1,600 vehicles as, in the terminology of those who have to work there, "blow-bys" or cars racing across the border without stopping or being stopped. In Stanstead, Quebec, over 250 unidentified vehicles illegally entered Canada each month by using two unguarded roads where there is no Canada Customs to intervene. In Quebec alone, and this will give you an order of magnitude, there were over 100 unguarded roads at the border.

Our new United States Ambassador says that Canada's biggest problem is gun smuggling from the United States. Guns, drugs, people smuggling — any form of contraband coming into our

[Senator Stratton]

country undetected — poses a threat to our population. To put this in perspective, over a five-year period, more than 25,000 prohibited weapons, including over 5,400 illegal weapons, were seized by our border agents. That is what was seized. The real question scares the devil out of most of us and that is: How much was not interrupted or captured?

If that is not enough, by way of a reminder, al Qaeda placed the killing of Canadians as priority number five. We have been mentioned as a target for al Qaeda attack twice, and once by Bin Laden himself. There are reports al Qaeda has conducted reconnaissance missions on the Canadian border. Al Qaeda is not alone. In February of this year, a reported Hezbollah operative crossed the border in the Detroit area from Canada and was arrested by our American neighbours when it was found that the operative had traces of explosives on his passport. Not a word from the government on this issue and not one comment from the Canada Border Services Agency. That is a little disturbing in this age of push and desire for transparency, openness, honesty and frankness.

Honourable senators, Bill C-26 has the effect of amalgamating the border services of the Canada Customs and Revenue Agency, the Canadian Food and Inspection Agency and part of the Department of Citizenship and Immigration. The bill was reported to the other place with two amendments, and the government introduced another amendment at the report stage to correct a basic error in the bill. The fact that the government had to introduce an amendment at that stage again says something about the lack of competence of this government on the whole question of national security.

With respect to the amendments passed by the committee in the other place, the first one was moved by our party, the Conservative Party of Canada. It called for an annual report of operations and performance on the agency and that this requirement should be enshrined in the legislation. It required that the agency table an annual report after the end of the fiscal year and before the end of the calendar year. In other words, the 2005 report of the agency would have to be tabled after March 31, 2006, but before the end of the December 2006 calendar year. Without question, there is some intervening access to information on the activities of the agency throughout this whole period.

Honourable senators, the government has noted in the past that Treasury Board, on behalf of the Canadian Border Service Agency, files a performance report, and this report should be — not could be, but should be — considered as the annual report. However, the requirement under the Financial Administration Act did not specifically say that an annual report or performance report was required. Interestingly enough, it now does. As a point, other agencies that file performance reports are also required by statute to file annually. They include SIRC, the Correctional Investigator, Correctional Service Canada, and the RCMP External Review Committee. We can all agree that greater transparency and accountability into the operations of government is an important part of achieving public confidence in a time of scandal.

• (1610)

We had hoped there would have been introduced this spring in the other place, and subsequently dealt with here, a bill dealing with the establishment of an oversight committee made up of parliamentarians, but not necessarily a parliamentary committee. We can all agree that such a committee is necessary in the absence of a level of transparency, trust and competence that the agencies responsible for our security in fact are working within the law and within the spirit of the law.

We will get this bill, honourable senators. Whatever we can do to enhance its transparency in terms of the flow of information to parliamentarians about the activities that give concern about the agencies we would like to monitor, all the better.

The Standing Senate Committee on National Security and Defence further recommends in its recent report on border security, which I commend to all senators, that the Canada Border Services Agency make mandatory the timing, reporting and cataloguing of critical incidents faced by personnel and that the Canada Border Services Agency include a tally of those incidents in its annual report to Parliament.

The second amendment from the other place ensured that officers who act as peace officers to enforce immigration and refugee acts are identified in the Criminal Code as peace officers. This again will put these officers on par with frontline peace officers and other border officers. We in the Conservative Party support that amendment.

Members of the Standing Senate Committee on National Security and Defence have recently said that if RCMP officers cannot be placed at our border posts, Canada Border Services Agency officers should be armed and trained to the highest standards of the RCMP. We have made it clear that the emphasis on the Canada Border Services Agency personnel should be placed on public safety and the security of Canada, not on the collection of revenue, which at one time may very well have accounted for the vast majority of income available to government. Today, it is hardly worth collecting.

The Commissioner of the RCMP has admitted that the RCMP does not have the resources to fulfil the mandate of patrolling the border at points of entry and, therefore, is withdrawing its services from the province of Quebec. I just mentioned the situation in Quebec in which there is virtually free, unfettered two-way traffic. The closing of nine detachments in Quebec highlights that resource problem.

Sadly, the commissioner has admitted that there is a danger facing border officials, but he does not support allowing them to carry side arms. It would seem to me — and this is not fortuitous — that in commenting on the Senate report, the Commissioner of the RCMP might very well have taken the opportunity to use the validity of the recommendation as yet further demonstration of the need for additional public funds for our national police force.

While I respect the commissioner's professional judgment, I would suggest to him that there is a duty to provide our people at the border with at least the ability to protect themselves and other Canadians. The report compiled by the agency showed that over the past five years 39 officers have been threatened, 234 were assaulted and 19 injured. The figures speak for themselves.

While I want to see university students get summer employment, the Standing Senate Committee on National Security and Defence has great concern about the practice of employing students as Canada Border Services Agency inspectors, given the dangers found along this great border. The Canada Border Services Agency should investigate the possibility of pairing students with full-time inspectors at land border crossings so that the students can earn both summer wages and credits toward community college diplomas associated with policing and security, as well as providing a better level of security not only for our students and Canadians but for all those who use our border services.

Honourable senators, the creation of a new border services agency itself makes sense. It is something the Conservative Party has long advocated. However, we must ensure that our border officers are equipped with proper technology, equipment and personnel. It is one thing to empower them through legislation; it is another thing entirely to give them the tools necessary to do the job. Again, this is a point the committee made in its recently released study entitled *Borderline Insecure*, tabled in the chamber on Tuesday, June 14. I commend it to honourable senators as bedtime reading.

I would like to make a particular point about the issue of remote border crossings. The government must act immediately to end the practice of border officials working alone. We have seen the tragedy that can occur. One officer working alone suffered a medical condition and died on the job. We as a committee have recommended that the number of personnel employed by border services be sufficient to provide security commensurate with the increased security threat associated with the growth in traffic generally and the threat at Canada-U.S. land border crossings in recent years.

We believe that the Canada Border Services Agency should ensure that at least half of all its shifts at land border crossings be staffed by at least two persons by December 31, 2006, and that all shifts at all land border crossings be staffed by at least two persons by December 31, 2007. We believe that the agency should connect all 62 unconnected border posts with real-time access to customs mainframe by January 1, 2006, and that the Canada Border Services Agency upgrade the quality and fuse the data that is available to officers on the primary and secondary inspection lines, a source of real concern and much danger to them.

An effective border policy for the border agency will require more resources and a real government commitment. Bill C-26 is certainly a step in the right direction, but it will require work, government will and resources.

I commend the bill to honourable senators and trust it will receive speedy passage.

On motion of Senator Cools, debate adjourned.

[Senator Forrestall]

• (1620)

[Translation]

CONFERENCE ON WOMEN'S RIGHTS

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Losier-Cool calling the attention of the Senate to the Millennium Development Goals, more particularly to Goal number 3, seeking to promote gender equality and to empower women.—(*Honourable Senator Fraser*)

Hon. Joan Fraser: Honourable senators, first I want to thank Senator Losier-Cool for calling our attention to the millennium goals in general, but more particularly to Goal number 3, which seeks to promote gender equality and to empower women.

It is very important for parliamentarians throughout the world to consider the millennium goals with extreme care because these goals are an extraordinary opportunity for making the world a better place.

[English]

In trying to decide which element of the third objective to focus on, I decided to speak about women's access to political equality in Canada, or, more precisely, to political equality in electoral politics at the federal level. I suspect that some of you will not like my conclusion. I am not sure that I like it myself, but I find myself driven to it.

I will first tell you how I arrive at my conclusion. It has been a long, hard road for women in politics in Canada. Anyone who wants to examine the subject in any detail can do no better than to turn to Senator Carstairs' book, *Dancing Backwards*, which gives a wonderful history of women in Canadian politics. The book is entitled *Dancing Backwards*, of course, because of the famous line that Fred Astaire's dancing partner had to do everything he did, only backwards and in high heels, and, I might add, usually in long skirts.

I believe many women feel they are actually dancing backwards. We dance like mad, yet often we see ourselves moving further away from the goal rather than toward it. This is not to deny that we have made a great deal of progress in Canada — and, indeed, in some ways, particularly until recent years, we have looked pretty good.

It is difficult to measure equality, but one proxy for it is the Interparliamentary Union's statistics on women around the world who serve in single-chamber legislatures or in the lower chamber in bicameral legislatures. Ten years ago, 18 per cent of Canada's MPs were women, which put Canada well into the top 25 countries, and we looked pretty good. I remember feeling very good about that. I do not count the wonderful record of the Senate, because we are an appointed chamber.

However, we no longer look so good, honourable senators. It is true that last year we were up from 18 per cent 10 years ago to 21 per cent of elected MPs. Although I may disagree profoundly with the Bloc Québécois on many issues, they really showed us the way — 35 per cent of their members are women. Nevertheless, in the last 10 years we have progressed less than many other countries. We have only picked up 3.14 percentage points in 10 years. We are now surpassed, honourable senators, by countries like Rwanda, where 49 per cent of the MPs are women, traditional Spain, where 36 per cent of the MPs are women, Mozambique, with 35 per cent, and Sweden, with 45 per cent.

There is a list ranking countries by the progress they have made in percentage terms over the past 10 years, and Canada ranks number 105 on that list. We cannot feel quite so proud as we used to.

Why are we lagging in this? There is a natural tendency to say that it is the voters' fault, that the voters will not elect women. I do not think that is true. Last year, the proportion of women who were elected to the House of Commons was within a couple of percentage points of the proportion of women who were nominated. It would appear that voters are as likely to vote for women as for men.

Why are there not more women candidates? Many factors are often cited for this. To this day, family responsibilities tend to affect women more than men. Women do not like the way politics are played, particularly in the other place. A wide range of other classic factors is often cited. The fact is that those factors exist everywhere — women have families everywhere and politics is a boisterous game almost everywhere — so those factors cannot explain Canada's relative lack of progress.

Some people say that the first-past-the-post Westminster-style electoral system is the problem. There is a large and impressive group in Canada, of women in particular, who say that having proportional representation would help to improve the representation of women in the House of Commons. I am not sure that is true. In conversations with women from other countries, they have pointed out to me that in proportional representation the party still controls who the candidates are. If the party chooses to put sufficient numbers of women on the list, then the number of women elected to represent that party will increase. If the party does not choose to do so, the number will not increase. I personally do not think proportional representation is the answer to our problems; in fact, in my opinion, it brings many other problems.

This leaves me to raise, with much trepidation, the issue of affirmative action. I will use the nasty word — quotas. I do not like the concept of quotas in politics. In fact, I have always loathed the concept of quotas in politics. However, I note that some form of affirmative action is now in use in 81 countries around the world, and these countries do not include only left wing, revolutionary or radical countries that are nothing like Canada.

[*Translation*]

I am thinking of France, for example, which has not been a revolutionary country for more than a century and a half now. In 2000, France adopted legislation promoting equal access for men

and women to elected positions and public office in Senate, parliamentary and municipal elections. The complexity of France's electoral system defies description. I would never advise Canada to adopt this system, but it seems to work in France.

A recent departmental report stated that this legislation, which met with some initial reticence, has now become quote, "Routine, normal, so to speak."

There is no longer any resistance from men or women in France. I know of French women who had opposed this legislation and now accept it.

[*English*]

I am not calling for quotas or for any particular form of affirmative action. There are many ways to go, from changing the Constitution to working at the individual party level. My preference would be for action to be taken at the party level according to each party's philosophy, traditions and practices. However, I do think that action must be taken.

• (1630)

In order to get to the point of taking more effective action than we are taking now, we will have to do more work to build a consensus. Does it matter whether women sit in parliaments? The answer is really and truly yes. If we believe in representative government, then we believe surely that the largest group of citizens there is, namely, women, should be properly represented.

One academic raised what she labelled the Mary Wollstonecraft dilemma in this context. She asked:

Should women demand full participation in political life based on the common humanity they share with men, or based on their differences from men? In the former case, women's participation in politics stems from universal democratic rights. In the latter, this involvement is to be assessed in terms of their differences: it is because they are different from men that women must participate in politics — with the probable consequence of changing the very nature of politics and public decisions.

As much as I respect learned academics, I would have to say that that is a false dilemma. The fact is that women need full representation in politics on both grounds, as citizens, as part of the common humanity of Canada, and also as representatives of a specific group with a specific set of perspectives. Not all women have the same perspectives, but they have certain experiences and points of view that tend to differ from those of men, they have certain needs that tend to differ from those of men, and they have a right to have those perspectives represented in Parliament. How will we get everyone to agree to move forward on whatever it is we decide to do?

It is not a cop-out for me to say that I think this would be an absolutely ideal subject for a Senate study. There is no place in Canada with more pertinent political experience than is found in this chamber. Among the women in this chamber, we have former premiers, opposition leaders, cabinet ministers at the federal and provincial levels, mayors and party workers from the highest to the most grass roots levels, not one of whom has to face election again. Any examination that we bring could be expert, but not self-interested. I cannot think of a better recipe.

They say one should never propose that work be done unless one is proposing to do it oneself. Let me hasten to say that I am not the right person to conduct this study. I know something about women, but I know really very little about practical politics and the organization of elections. That is why I will not table a motion to suggest that we do it. However, in this chamber we have all the talent we would need to come up with realistic, non-intrusive but effective propositions for Canada to move forward in an area where we used to be trailblazers but no longer are.

Honourable senators, I leave you with that thought.

Hon. Anne C. Cools: If the honourable senator would take a question, I am curious about the notion that women represent something quite different from men. My question is about difference. We could say that the majority of Canadians are not "middle class," but I do not see any movement to move those people into Parliament or anywhere else. We can say — and I do not know the numbers — that some people are brighter than others, yet I do not see any movement to bring the brighter people into Parliament. We can say that some people are more hardworking than others — we are talking about differences between human beings — yet I do not see any movement to bring more hardworking people into Parliament.

I am referring to the statement of the honourable senator that a significant majority of the public are women. By the same token, I would also submit that there are significant numbers of people who are Oriental and Black, but I do not see any movement to represent them by numbers.

Why does this subject seem to revolve around the question of women? I could argue a thousand other bases for representation as well.

As a matter of fact, it could easily be argued that the people in this chamber are not representative of Canadians at all on the grounds of educational levels, career paths and so on. I do not understand how the representative argument can be applied to what Senator Fraser is saying.

Could the honourable senator comment on the whole question of representation? What makes Senator Fraser or any other woman say that she represents women when, in point of fact, I would argue that most women in this chamber are totally unlike the majority of most women in this country, totally.

Senator Fraser: In response to Senator Cools, I believe I tried to say — and if I did not, let me try again — that no one woman can represent all of womanhood any more than any one man can represent all of manhood or any one person from an ethnic minority can represent a whole ethnic minority. That is why one needs to have significant representation of as many groups as possible in a society.

[Senator Fraser]

In this chamber, which is appointed, we take some pride in thinking that those who have appointed us over the years have tried to reach out to ensure that groups that perhaps are not as fully represented in the Commons as they might be do at least have some representation here.

The honourable senator's point about representation of many groups is entirely valid. I am not disputing the fact that there are many groups in Canadian society that might wish to be represented. I happened to be speaking about women, because that is the point of the third millennium objective, which is the focus of Senator Losier-Cool's inquiry.

The Hon. the Speaker: Honourable senators, I regret to advise that Senator Fraser's 15 minutes have expired.

Senator Fraser: I neglected to mention this to Senator Stratton, but Senator Johnson had asked me to say that she would like to take the adjournment of the debate.

Hon. Marie-P. Poulin: Honourable senators, I had hoped to adjourn the debate, but I would be more than happy to leave my place to Senator Johnson.

The Hon. the Speaker: Senator Johnson is not here and you are.

Have we disposed of the matter of Senator Cools?

Senator Cools: Senator Fraser will probably not speak to this issue again, since the rule is that senators speak once. I was interested in asking her a subsequent question.

The Hon. the Speaker: Senator Fraser is not asking for leave, so I will go to Senator Poulin.

Senator Poulin: I should like to adjourn the debate, with the consent of Senator Cools.

Senator Cools: It really does not matter. I thought Senator Fraser might have asked for an extension of her time.

On motion of Senator Poulin, debate adjourned.

THE SENATE

MOTION TO URGE GOVERNMENT TO REDUCE CERTAIN REVENUES AND TARGET PORTION OF GOODS AND SERVICES TAX REVENUE FOR DEBT REDUCTION—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Kinsella seconded by the Honourable Senator Stratton:

That the Senate urge the government to reduce personal income taxes for low and modest income earners;

That the Senate urge the government to stop overcharging Canadian employees and reduce Employment Insurance rates so that annual program revenues will no longer substantially exceed annual program expenditures;

That the Senate urge the government in each budget henceforth to target an amount for debt reduction of not less than 2/7 of the net revenue expected to be raised by the federal Goods and Services Tax; and

That a message be sent to the House of Commons requesting that House to unite with the Senate for the above purpose.—(*Honourable Senator Robichaud, P.C.*)

Hon. Terry Stratton (Deputy Leader of the Opposition): Senator Robichaud has had this motion standing in his name for quite a substantial period of time. It is now day 15. If he does not want to take the adjournment of the debate, there are senators on our side who would like to speak to the motion. Therefore, I request that I be allowed to rewind the clock.

[*Translation*]

Hon. Fernand Robichaud: Honourable senators, I have no objection if my colleague wants to rewind the clock. I asked for adjournment in the hopes of hearing from other individuals on this side. I would be quite interested in hearing from them. I have no objection to the senator's motion to adjourn the debate and rewind the clock.

[*English*]

The Hon. the Speaker: Is it agreed, honourable senators, that the item go back to day zero?

Hon. Senators: Agreed.

Hon. Shirley Maheu: Senator Day asked me to move the adjournment in his name.

Senator Stratton: Fine. Thank you.

The Hon. the Speaker: By agreement, honourable senators, the matter will stand in Senator Day's name.

On motion of Senator Maheu, for Senator Day, debate adjourned.

SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

COMMITTEE AUTHORIZED TO MEET DURING
ADJOURNMENT AND SITTINGS OF THE SENATE

Hon. Michael Kirby, pursuant to notice of June 20, 2005, moved:

That the Standing Senate Committee on Social Affairs, Science and Technology be empowered, in accordance with

rule 95(3)(a), to sit, on July 5 and 6, 2005, even though the Senate may then be adjourned for a period exceeding one week; and

That the Committee be authorized, notwithstanding rule 95(4), to sit on July 5 and 6, 2005, even though the Senate may be sitting.

He said: Honourable senators, just to explain the purpose of the motion, the Standing Senate Committee on Social Affairs, Science and Technology, which is doing our study on mental health, mental illness and addiction, has now held public hearings in every province and in one territory, the Yukon. We have two fact finding one-day sessions left, in Iqaluit and Yellowknife. Since they are only fact finding hearings, we can carry them out regardless of whether the Senate is sitting.

We have also been conducting one-day special hearings on four topics, two of which have been completed, one on children's mental health and one on seniors' mental health. The purpose of July 5 and 6 is for a special one-day hearing on mental health in the workplace and a special one-day hearing on addictions.

When the committee holds a single-topic hearing, we do it in a round table format featuring 10 to 15 people from coast to coast. It is important that we be able to get those people to commit to a particular day for the hearings. Therefore, the purpose of this motion is to get the approval of the Senate to go ahead with those hearings which would be held from 8:30 or 9:00 until 3:00 or 3:30, regardless of whether or not the Senate has adjourned for the summer and regardless of whether or not the Senate is sitting. I cannot recruit and then cancel the witnesses at the last minute because they come from all over the country.

Hon. Terry Stratton (Deputy Leader of the Opposition): Do you have the concurrence of our side?

Senator Kirby: Absolutely. It is unanimous among all members of the committee that we need these last two days in order to proceed with writing the report in the summertime.

Senator Stratton: Where are you meeting?

Senator Kirby: The hearings would be held here in the big room with the big oval table in the East Block. If there was a critical vote, we could adjourn the committee and proceed to the chamber.

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

Motion agreed to.

The Senate adjourned until Wednesday, June 22, 2005, at 1:30 p.m.

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