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OFFICIAL REPORT  
(HANSARD)

**Tuesday, June 13, 2006**



THE HONOURABLE NOËL A. KINSELLA  
SPEAKER

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## THE SENATE

Tuesday, June 13, 2006

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

Prayers.

### THE LATE HONOURABLE J. MICHAEL FORRESTALL

#### SILENT TRIBUTE

**The Hon. the Speaker:** Honourable senators, there will be an opportunity for us to express ourselves later, but at this time I extend deepest sympathies on behalf of all senators and all associated with this place to Ms. Marilyn MacDonald Forrestall, the children, Mary Ellen, Daniel Patrick, Robert Arthur, Polly Sue, Michael Thornhill and their entire family.

Honourable senators, out of respect for our deceased colleague, the Honourable J. Michael Forrestall, I ask you to rise and join with me in a moment of silence.

*Honourable senators then stood in silent tribute.*

## SENATORS' STATEMENTS

### THE LATE LORD KENNETH THOMSON

**Hon. Jeremiah S. Grafstein:** Honourable senators, I rise to pay tribute to the late Lord Kenneth Thomson. I first ran into Ken Thomson over 45 years ago. I introduced myself, saying, "I am delighted to meet you, Lord Thomson"; and he said, "My name is Ken; what is yours?" Thereafter, we developed a very warm and friendly relationship.

• (1405)

I ran into him in my early years going downtown on the subway. An underground passage connected my office to his office around the corner, so I met with him from time to time at a coffee shop in the food area underneath our buildings. Of course, one would always run into him at any major charitable event in Toronto because he was an avid supporter of the arts.

Ken Thomson, in my view, was brilliant. He was modest and a visionary who transformed his father's print empire into a virtual internet-savvy conglomerate. In the process, he became one of the richest men in the world and certainly the wealthiest Canadian.

He was a lover of the arts and his living monument will be the Art Gallery of Ontario. He was a collector of Cornelius Krieghoff and the Group of Seven. His efforts propelled those artists into the world art community.

Last Wednesday night I raced to Toronto for a surprise birthday for Tom who is a clothier in Kensington Market. Tom,

who owns Tom's Place, is a Hungarian refugee and his friends were throwing a party for him. Ken Thomson was there; he was one of Tom's best customers.

Whenever I called Ken Thomson, he was ready to help. For me, Ken Thomson was the quintessential Canadian. He was brilliant, modest, hard working, a gentle man and a gentleman. Our hearts go out to Marilyn, his family and his extended family.

Ken, your race is run, your victory is won, now come to rest, Godspeed, God bless.

## MANITOBA

### CONGRATULATIONS TO PREMIER GARY DOER ON RECOGNITION OF SUPPORT FOR JEWISH NATIONAL FUND

**Hon. Maria Chaput:** Honourable senators, the Premier of Manitoba, the Honourable Gary Doer, is being recognized for his leadership in developing a relationship between the Jewish National Fund and the Province of Manitoba at the JNF's gala scheduled for this evening, Tuesday, June 13. This annual gala has become the Jewish community's single largest fundraising event and the funds go toward projects in Israel. This year, the monies raised will go to environmental projects in conjunction with the recently announced new partnership with the Province of Manitoba.

A Manitoba-based fund is being established to support research exchanges between Israel and Manitoba universities, focusing on the construction of rapid growth greenhouses, water conservation and forest diversification.

Mr. Joe Rabinovitch, Executive Vice-President of JNF Canada, stated:

JNF Canada looks forward to sharing, with the people of Manitoba, its expertise with water management, greenhouse technology and agriculture. This will be a partnership that will benefit all parties now and in the future.

The money will stay in Manitoba and projects will be identified based on the advice of northern communities and specialists in northern diversification at academic institutions.

It was pointed out by Israel's Consul General in Toronto that "Israel is the only place in the world where the desert is shrinking, not expanding." He also notes that the JNF will soon be sharing its experience and research and development with the Province of Manitoba through an agreement recently signed between the province and the organization.

This year, Premier Doer is being recognized for his leadership in developing this relationship as the deserving honouree for Gala 2006.

As a Manitoban, I would like to extend my warmest congratulations to Premier Gary Doer. Manitoba's diversity is one of our greatest strengths and Premier Doer is showing dedication to the betterment of our society and humanity as a whole.

Congratulations, Mr. Premier.

• (1410)

## ATLANTIC REGION

### FEDERAL SUPPORT FOR ECONOMIC DEVELOPMENT

**Hon. Catherine S. Callbeck:** Honourable senators, I was disappointed last week when I heard that the Parliamentary Secretary to the Minister of Transport, Infrastructure and Communities, Brian Jean, had advocated the migration of Atlantic Canadians to the Western provinces in order to solve employment problems. This suggestion shows an acute insensitivity to the people of Atlantic Canada and a profound lack of understanding of the regional nature of this country. Worse still, it demonstrates the lack of a fundamental commitment on the part of this government to the goal of ensuring equal opportunity for all Canadians, wherever they live.

Unfortunately, this lack of commitment has been apparent since the Conservative government unveiled its budget. The recent federal budget plan failed not only to outline the government's vision for policies that support each region of the country but also failed to mention regional economic development in its more than 300 pages.

The people of Atlantic Canada have shown our value and capacity for hard work. In September 2003, a cross-Canada survey was undertaken by two professors from the business schools at Carleton University and the University of Western Ontario. This survey found that the people "out east" spend more time at work than people in any other regions, an average of 44.5 hours per week.

We are also more likely to show high levels of job satisfaction and commitment to our employers. We have lower turnover rates and are less likely to leave our jobs. Atlantic Canadians have demonstrated our commitment to success and we continue to work toward building our region and our country.

I hope that this government will continue the work of the previous government. We need investment and partnership with the federal government for our new and traditional industries. The answer is not to move our workers to other parts of Canada. The future of the whole country rests on helping people, businesses and whole communities to reach their full potential.

[*Translation*]

## ROUTINE PROCEEDINGS

### CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

#### ORDER PURSUANT TO SECTION 8 OF TELECOMMUNICATIONS ACT TABLED

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** Honourable senators, pursuant to rule 28(3) of the *Rules of the Senate*, I have the honour to table, in both official languages, the proposed order under section 8 of the Telecommunications Act.

### INFORMATION COMMISSIONER

#### 2005-06 ANNUAL REPORT TABLED

**The Hon. the Speaker:** Honourable senators, I have the honour to table, in both official languages, the 2005-06 annual report of the Information Commissioner for the period ended March 31, 2006, pursuant to section 38 of the Access to Information Act.

[*English*]

## CRIMINAL CODE

### BILL TO AMEND—REPORT OF COMMITTEE

**Hon. Michael Kirby,** Chair of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Tuesday, June 13, 2006

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

#### FOURTH REPORT

Your Committee, to which was referred Bill S-211, An Act to amend the Criminal Code (lottery schemes) has, in obedience to the Order of Reference of Wednesday, May 10, 2006, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

MICHAEL KIRBY  
*Chair*

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

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

• (1415)

## RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

### SECOND REPORT OF COMMITTEE PRESENTED

**Hon. Consiglio Di Nino**, Chair of the Standing Committee on Rules, Procedures and the Rights of Parliament, presented the following report:

Tuesday, June 13, 2006

The Standing Committee on Rules, Procedures and the Rights of Parliament has the honour to present its

### SECOND REPORT

Pursuant to Rule 86(1)(f)(i), your Committee is pleased to report as follows:

The *User Fees Act*, S.C. 2004, c. 6, received Royal Assent on March 31, 2004. It originated as a private Member's bill in the House of Commons. The purpose of the Act is to provide a consultation process with stakeholders before the introduction of new user fees, or the increase or extension of existing user fees, followed by parliamentary approval.

The *Act* requires Ministers to cause proposals to be tabled in each House of Parliament. Each proposal that is tabled is deemed referred to the "appropriate standing committee" of each House. The committee may submit a report containing recommendations regarding the proposal. If after 20 sitting days, no report has been tabled by the committee, it is deemed to have recommended the approval of the proposal. The Senate and House of Commons may pass a resolution approving, rejecting or amending the recommendation made by the committee.

The wording of the *User Fees Act* is more consistent with the procedures of the House of Commons, with its pre-determined "appropriate standing committees," which mirror government departments and agencies. In the Senate, however, committees are organized more along policy lines, and, in any event, generally require a specific order of reference from the chamber with respect to any study that they undertake.

Given the tight timeframe envisaged by the *Act* for reviewing proposals — 20 sitting days — your Committee believes that it is important that they be referred to a committee without delay. We are recommending an amendment to the *Rules of the Senate* to facilitate this. It is your Committee's hope and expectation that there will be consultations between the leadership of the two sides prior to any tabling of a proposal so as to expedite the process and ensure that the Senate carries out its responsibilities under the *Act* in a meaningful way.

Your Committee recommends that the *Rules of the Senate* be amended by adding after subsection (3) of Rule 28 the following:

**28 (3.1) When the Leader of the Government in the Senate or the Deputy Leader of the Government in the Senate tables a document proposing a user fee, it is deemed referred,**

**without debate or a vote, to the select committee designated in the Senate for the purpose by the Leader of the Government in the Senate or the Deputy Leader of the Government in the Senate following consultation with the Leader of the Opposition in the Senate or the Deputy Leader of the Opposition in the Senate.**

**(3.2) If the select committee does not report within twenty sitting days, the committee is deemed to have recommended approval of the user fee.**

Respectfully submitted,

CONSIGLIO DI NINO  
*Chair*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Di Nino, report place on the Orders of the Day for consideration at the next sitting of the Senate.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### THIRD REPORT OF COMMITTEE TABLED

**Hon. George J. Furey:** Honourable senators, I have the honour to table the third report of the Standing Committee on Internal Economy, Budgets and Administration.

On motion of Senator Furey, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## STUDY ON ISSUES DEALING WITH DEMOGRAPHIC CHANGE

### THIRD REPORT OF BANKING, TRADE AND COMMERCE COMMITTEE TABLED

**Hon. Jeremiah S. Grafstein:** Honourable senators, I have the honour to table the third report of the Standing Senate Committee on Banking, Trade and Commerce entitled, *The Demographic Time Bomb: Mitigating the Effects of Demographic Change in Canada*.

On motion of Senator Grafstein, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

## INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

### REPORT PURSUANT TO RULE 104 TABLED

**Hon. George J. Furey:** Honourable senators, I have the honour to table the fourth report of the Standing Committee on Internal Economy, Budgets and Administration, regarding expenses incurred during the First Session of the Thirty-eighth Parliament.

(For text of report, see today's Journals of the Senate, p. 223.)

## LIBRARY OF PARLIAMENT

### FIRST REPORT OF JOINT COMMITTEE PRESENTED

**Hon. Marilyn Trenholme Counsell**, Joint Chair of the Standing Joint Committee on the Library of Parliament, presented the following report:

Tuesday, June 13, 2006

The Standing Joint Committee on the Library of Parliament has the honour to present its

#### FIRST REPORT

Your Committee recommends to the Senate that it be authorized to assist the Speaker of the Senate and the Speaker of the House of Commons in directing and controlling the Library of Parliament, and that it be authorized to make recommendations to the Speaker of the Senate and the Speaker of the House of Commons regarding the governance of the Library and the proper expenditure of moneys voted by Parliament for the purchase of books, maps or other articles to be deposited therein.

Your Committee recommends that its quorum be fixed at six members, provided that each House is represented, and a member from the opposition and a member from the government are present, whenever a vote, resolution or other decision is taken; and that the Joint Chairs be authorized to hold meetings to receive evidence and to have that evidence published when a quorum is not present, provided that at least three members are present, including a member from the opposition and a member from the government.

Your Committee further recommends to the Senate that it be empowered to sit during sittings and adjournments of the Senate.

A copy of the relevant minutes of Proceedings (*Meeting No. 1*) is tabled in the House of Commons.

Respectfully submitted,

MARILYN TRENHOLME COUNSELL  
*Joint Chair*

**The Hon. the Speaker:** Honourable senators, when shall this report be taken into consideration?

On motion of Senator Trenholme Counsell, report placed on the Orders of the Day for consideration at the next sitting of the Senate.

• (1420)

[*Translation*]

#### ADJOURNMENT

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** Honourable senators, so that we may attend the funeral tomorrow of our former colleague Senator Forrestall, with leave of the Senate, and notwithstanding rule 58(1) (h), I move:

That when the Senate adjourns today, it do stand adjourned until Thursday, June 15, 2006, at 1:30 p.m.

**Hon. Joan Fraser (Deputy Leader of the Opposition):** Honourable senators, we were saddened, as were all honourable senators, to learn that Senator Forrestall has left us.

It is our understanding that the proposal of the Deputy Leader of the Government in the Senate will allow us to attend the funeral in Halifax tomorrow. We are in complete agreement with this proposal.

That said, we would have appreciated being consulted before this decision was made and preparations begun.

According to precedent — or at least recent precedent — we adjourn the first sitting day following the death of a senator. This time the precedent was not followed, for obvious reasons that we understand and support. I would just like to point out to honourable senators that a little consultation would be welcome in future.

**Senator Comeau:** Honourable senators, I am pleased that the Deputy Leader of the Opposition agrees with the measures we took, whereby the Senate will not sit on Wednesday, and that her side fully understands these measures.

That said, with respect to consultation on such matters, we thought that having our assistants call the Leader and Deputy Leader of the Opposition's assistants would have satisfied the other side and that there was no need for the Leader and Deputy Leader themselves to call.

However, if I understand correctly, the fact that our assistants contacted their offices was unsatisfactory to the Deputy Leader. If I have understood correctly, perhaps we should discuss establishing a protocol in future. However, if the Deputy Leader of the Opposition insists that the Deputy Leader on this side make the calls personally, we can certainly do so in future. That is something we can discuss.

Personally, I would not insist that the Deputy Leader of the Opposition call me directly to inform me of this sort of thing. If the other side insists that the Deputy Leader of the Government call directly, I will do so.

**Senator Fraser:** Honourable senators, each side has three leaders. I think that those six people can figure out a way to communicate without taking too much offence.

**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?

**Some Hon. Senators:** Agreed.

Motion agreed to.

• (1425)

[English]

### COMMONWEALTH PARLIAMENTARY ASSOCIATION

SEMINAR ON “RESTORING FAITH IN THE POLITICAL PROCESS: TACKLING CORRUPTION, UPHOLDING HUMAN RIGHTS, THE ROLE OF THE MEDIA,”  
JANUARY 22-28, 2006—REPORT TABLED

**Hon. Terry M. Mercer:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian branch of the Commonwealth Parliamentary Association that participated in the Commonwealth Parliamentary Association, United Kingdom branch, seminar on “Restoring Faith in the Political Process: Tackling Corruption, Upholding Human Rights, the Role of the Media,” held in London, United Kingdom, from January 22 to 28, 2006.

### CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

MEETING ON EMERGENCE OF CROSS-BORDER REGIONS, MARCH 6-7, 2006—REPORT TABLED

**Hon. Jeremiah S. Grafstein:** Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the Canadian delegation to the Canada-U.S. Inter-Parliamentary Group’s Meeting on the Emergence of Cross-Border Regions between Canada and the United States, Ottawa Round Table, hosted by the Policy Research Initiative, Privy Council Office and the Canada-U.S. Inter-Parliamentary Group, held in Ottawa on March 6 and 7, 2006.

GREAT LAKES DAY, MARCH 16, 2006—  
REPORT TABLED

**Hon. Jeremiah S. Grafstein:** Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of my participation as Co-chair of the Canada-United States Inter-Parliamentary Group at Great Lakes Day held in the United States Congress, Washington, D.C., March 16, 2006.

### SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY CURRENT SOCIAL ISSUES OF LARGE CITIES

**Hon. Michael Kirby:** Honourable senators, I give notice that at the next sitting of the Senate I will move:

That the Standing Senate Committee on Social Affairs, Science and Technology be authorized to examine and report on current social issues pertaining to Canada’s largest cities. In particular, the committee shall be authorized to examine poverty, housing and homelessness, social infrastructure, social cohesion, immigrant settlement, crime, transportation, and the role of the largest cities in Canada’s economic development;

That the study be national in scope, with a focus on the largest urban community in each province;

That the study report proposed solutions with an emphasis on collaborative strategies involving federal, provincial and municipal governments;

That the committee submit its report no later than December 31, 2007, and that the committee retain all powers necessary to publicize its findings until March 31, 2008;

That the committee be permitted, notwithstanding usual practices, to deposit any report with the Clerk of the Senate if the Senate is not then sitting and that the report be deemed to have been tabled in the chamber.

### FISHING INDUSTRY IN NUNAVUT

NOTICE OF INQUIRY

**Hon. Willie Adams:** Honourable senators, pursuant to rule 57(2), I give notice that two days hence:

I will call the attention of the Senate to issues concerning the fishing industry in Nunavut related to the use of fishing royalties, methods of catch, foreign involvement and a proposed audit of Inuit benefit from the fishery.

[*Senator Adams spoke in his native language.*]

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### QUESTION PERIOD

#### ATLANTIC CANADA OPPORTUNITIES AGENCY

PROJECT FUNDING IN LIBERAL HELD RIDINGS—  
COMMENTS BY MINISTER

**Hon. Jane Cordy:** Honourable senators, my question is for the Leader of the Government in the Senate. I am fortunate to have as my member of Parliament Mr. Michael Savage, the member for Dartmouth—Cole Harbour. In reaction to questions from Mr. Savage in the other place, the minister of ACOA, Peter MacKay, said in a media interview: “I’ll look at the projects coming out of his riding, but his ability to influence me you can imagine is going to be severely diminished.”

I ask the Leader of the Government in the Senate if this is the policy of this government. If a Liberal asks a question, does it automatically jeopardize your chances of getting project funding for your riding?

• (1430)

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, this new Conservative government is committed to building a strong competitive economy in all regions of Canada. We are helping communities in Atlantic Canada to tackle their respective economic and employment challenges by investing in community-generated projects that will work for them.

I notice the reference to the MP in the other place, Michael Savage, and I find it interesting. I noticed in *The Hill Times* that he is supporting Scott Brison for the leadership, and Mr. Brison is one of the people who advocated for getting rid of ACOA.

**Senator Cordy:** Michael Savage is my member of Parliament, and I am proud to have him as my member.

**Some Hon. Senators:** Hear, hear!

**Senator Cordy:** To make matters worse, Minister MacKay said during the Nova Scotia election campaign that Tory candidate Wayne Provo was in the best position to help his constituents receive money from ACAO. He stated:

There is money that the people in Preston are entitled to, and I can tell you he's going to come knocking and we're going to deliver.

This is clearly in contravention of the government's own accountability act. Clause 7 of the proposed accountability act states the following:

No public office holder shall ... give preferential treatment to any person or organization based on the identity of the person or organization ...

Is Minister MacKay not violating the intent of the accountability act by stating publicly that the Liberal MP will not receive ACOA grants but a Conservative MLA will have the ACOA money delivered? Is that how this government interprets the accountability act: Tory ridings get, others do not?

**Senator LeBreton:** I guess the way to resolve these matters in the future is to pass the proposed accountability act to ensure that all apply it to themselves.

## INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

### MEETING OF FIRST MINISTERS ON ABORIGINAL ISSUES—FUNDING OF INITIATIVES

**Hon. Robert W. Peterson:** Honourable senators, on June 8 of this year, the Leader of the Government in the Senate made numerous references regarding the Kelowna accord, stating there was no fiscal framework, that it was all talk, no framework, no nothing.

I have checked into this, and the facts would seem to indicate otherwise. On November 14, 2005, the previous Liberal government provided its fiscal update. Among other matters, the following were included in the update: money for farmers, \$755 million; standby loans for the forest industry, \$800 million; and money for Kelowna.

On November 24, 2005, the Kelowna accord was ratified by all parties involved, namely, the federal government, provincial governments and First Nations. On that same date, in the Department of Finance's sources and uses table, the following were formally identified and booked: money for farmers, \$755 million, and money for Kelowna \$5.096 billion.

[ Senator LeBreton ]

How can the honourable senator argue there was no money for Kelowna?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, Minister Prentice, who at the time was our critic, attended the Kelowna meetings. The facts are that in the closing minutes of the first ministers' meeting of November 2005, the former Prime Minister tabled a single-page document that was a compilation of numbers, as I mentioned in my answer the other day, totalling \$5.1 billion. There was no signed agreement in Kelowna, and no consensus on how this money would be spent or distributed amongst Aboriginal groups or how it would be split among the provinces and territories.

This new government is committed to proceeding with a clear budget, accountability, measurements and results. The minister said on many occasions that the targets and objectives set out in the Kelowna meetings are admirable, as I have said myself. We are supportive of them and we will move forward on them, as we have in the 2006 budget.

• (1435)

For example, I would like to point out that the 2005 first ministers' meeting called for \$300 million over five years to be allocated toward northern housing while Budget 2006 dedicates the same amount over two years.

**Senator Peterson:** Honourable senators, the fact is that the money for Kelowna was booked at the same time and in exactly the same way as the \$755 million for farmers. Obviously, the government thought the money for farmers was real because they have spent it. How can the minister justify this double standard?

**Senator LeBreton:** There is no double standard, honourable senators. As I said in answer to Senator Adams last week, the sad reality is that there was no agreement. There was no allocation. There was nothing in a fiscal framework. Even though the aims of the Kelowna meetings were admirable, the previous government did not make plans to move forward. This new Conservative government will be moving forward.

## INDUSTRY

### AID TO FORESTRY INDUSTRY

**Hon. Tommy Banks:** Honourable senators, I have a follow-up question for the Leader of the Government in the Senate arising out of Senator Peterson's question.

My limited understanding is that when the government has booked money for a project it will probably be spent on that project. As Senator Peterson pointed out, the government seems to have accepted the fact that the previous booking of \$755 million to help farmers was legitimate and was acted upon. They wrote the cheques, signed them, sent them out and the money has been spent.

Rather than refer to Kelowna, I will refer to the other \$800 million mentioned by Senator Peterson. That was money committed by Minister Emerson in the previous government and was for assistance to the forestry industry in Canada.



It happens that we have an unusual situation in which the then minister is the present minister. He was of the opinion then that we needed to get \$800 million to assist the forest industry. It was booked then. It was contained in the documents tabled in Parliament to which Senator Peterson referred. We now have the same minister who seems no longer convinced, or is being obstructed by the present government if he is still convinced, that the forestry industry needs some assistance.

Will the Leader of the Government in the Senate tell us whether it is the case that the honourable minister has changed his mind and determined that the forestry industry is not in need of any support for the moment or whether the minister believes that it is so and the rest of the cabinet disagrees?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, I thank Senator Banks for his question.

With respect to Kelowna, the money was not booked and there was no fiscal framework.

With regard to Minister Emerson's statements on the forestry industry, I am not aware that he has changed any position that he held previously. However, I will take the question as notice and undertake to find the answer for the honourable senator.

#### PROPOSED AMENDMENT TO LOBBYISTS REGISTRATION ACT

**Hon. Jim Munson:** Honourable senators, my question is addressed to the Leader of the Government in the Senate and concerns the federal accountability act and the so-called Roscoe amendment.

Elizabeth Roscoe worked as a volunteer on the Harper transition team. She is now a victim of the proposed five-year rule whereby lobbyists and former politicians cannot lobby the government. Now comes along her former boss, Derek Burney, who led the transition team, and who is mighty upset that Roscoe will not be able to lobby the government. Mr. Burney, as he said, puts "a premium on loyalty." He has a problem that the rules are being changed after the fact. He is obviously not very happy.

Mr. Burney went on to say that the new standards were not "made clear at the time." Will the Leader of the Government in the Senate will please tell us what she really thinks of this amendment?

• (1440)

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, I thank Senator Munson for his question. I have known Elizabeth Roscoe for many years and I have a great deal of respect for her.

**Senator Mitchell:** How are you getting along with her now?

**Senator LeBreton:** I get along with her just fine. I have spoken to her many times.

The issue is Ms. Roscoe's position in the executive branch of the government during the transition period. The Prime Minister made it very clear that lobbyists were not to be part of the transition team. That is on the public record.

Also on the public record is the government's intention that there be a restriction against lobbying for five years after people leave the employ of the government. Perhaps Ms. Roscoe did not apprise herself of what was being said on the issue of lobbyists during the campaign. We cannot change the proposed accountability act to accommodate a friend.

**Senator Munson:** Honourable senators, implicit in that statement is that Mr. Burney did not understand either, although he was the chief of the transition team. He had tremendous experience with Mr. Mulroney's team and was the president of a big company. It strikes me that Mr. Burney would be listening very closely to all of this, and he says that these rules were made after the fact.

I suppose Deborah Grey will have to follow the same rule.

I am wondering about the right to work under the Charter of Rights. How can a person be denied the right to work in this town?

**Senator LeBreton:** Honourable senators, there is a difference between Deborah Grey and lobbyists who support the Liberal party or the Conservative party and are regularly on television. Lobbyists such as Deborah Grey were not part of the executive branch of the new government and did not serve on the transition team.

#### INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

##### FIRST MINISTERS' AGREEMENT ON ABORIGINAL ISSUES—FUNDING OF INITIATIVES

**Hon. Joan Fraser (Deputy Leader of the Opposition):** Honourable senators, I have a question of the Leader of the Government in the Senate on the question of funding for the Kelowna accord.

On March 22 of this year, a letter was sent to Minister Prentice from the Honourable Ralph Goodale, a person of widely recognized competence and unassailable integrity. Mr. Goodale's letter said in part:

As the federal Minister of Finance at the time of the Kelowna First Ministers' Meeting involving the Prime Minister, provincial/territorial Premiers and the leaders of five national Aboriginal organizations, I can confirm that as of that meeting (November 24, 2005) the fiscal framework of the Government of Canada included a total of \$5.096 billion to address obligations arising from what came to be known as the "Kelowna Accords."

The letter continues:

In the government's 2005 Economic and Fiscal Update, issued on November 14th, the importance of the then-upcoming Kelowna meeting was specifically mentioned, together with an undertaking to provide the

needed financing. There was more than enough unused fiscal room in our framework to accommodate the expected sum. When the Kelowna meeting actually took place (10 days later), the money was booked — \$5.096 billion.

The fiscal treatment of the Kelowna Accords was —

— as Senator Peterson has recalled for us —

— quite similar to how we handled special federal funding of \$755 million to help grain and oilseed producers in the farm sector. In both cases, formal announcements were not ready to be made at the time of the November 14th Fiscal Update, but both were signalled in that Update and flexibility was built into our framework to cover the anticipated expenses. By November 24th, both initiatives had become ready to go, announcements were made, and the money for both was booked.

• (1445)

Is the minister suggesting that Mr. Goodale did not tell the truth?

**Hon. Marjory LeBreton (Leader of the Government):** I have not seen that letter. The honourable senator told me the date it was written. When the honourable senator read the letter, she said something to the effect that he said there were sufficient funds. I will certainly speak to Minister Prentice or Minister Flaherty about the response to that letter, but I do not believe he actually said a fiscal framework had been put in place for the Kelowna accord.

I will take the question as notice and will ask both Minister Prentice and Minister Flaherty if, in fact, they responded to Ralph Goodale's letter.

**Senator Fraser:** I thank the minister. In addition, will she also obtain for this house the Department of Finance sources and uses table affecting the date of November 24?

**Senator LeBreton:** I am uncertain as to whether I am in a position to make that kind of commitment, but I will take the question as notice.

## INDUSTRY

### AID TO FORESTRY INDUSTRY

**Hon. Tommy Banks:** Honourable senators, I have a supplementary question on the same issue of booking of commitments of the government. Will the Honourable Leader of the Government please include in her inquiry the \$800 million that I believe was also booked in respect of assistance to the forestry industry?

**Hon. Marjory LeBreton (Leader of the Government):** Any desire of the previous government that was not booked into the fiscal framework was just that — a desire. It is clear that the Canadian public did not vote for the new Conservative government just to carry on with failed projects of the previous government.

[ Senator Fraser ]

**Senator Banks:** I must be clearer. I am not asking the same question again. Intervening between the question I first asked and the present one, the Deputy Leader of the Opposition asked and the Leader of the Government undertook to respond to questions having to do with a letter from Mr. Goodale addressed to Mr. Prentice, I believe.

This letter indicated that the money for those things was, in fact, booked, and was part of the fiscal framework. I refer to the fact that the Leader of the Government has suggested that the Kelowna accord, among other things, does not apply because there was no such booking of funds and because there was no such fiscal framework.

That is the question. Was there a fiscal framework that included those amounts of money? Were those sums booked? It is to the absence of those things that the Leader of the Government has referred in explaining why the Kelowna agreement and other matters were not proceeded with.

I simply ask if she can pin on to the end of the undertaking to the Deputy Leader of the Opposition with respect to Kelowna the \$800 million for forestry.

**Senator LeBreton:** Honourable senators I would be more than happy to do that.

## THE ENVIRONMENT

### KYOTO PROTOCOL—ALTERNATIVE PROGRAM

**Hon. Grant Mitchell:** Honourable senators, over the last number of weeks, we have been given three different reasons the government has cancelled the previous government's 15 climate change programs.

The first one was inefficiency, but the government does not really believe that because the one program they brought in to try to replace the previous government's is far less efficient. The second one was failure to achieve the Kyoto objectives. The government does not really believe that because they have stated that they will bring in lower objectives.

The third one was that they want a made-in-Canada program, but the government does not really believe that reason either, because, of course, none of the 15 programs they have cancelled apply anywhere but in Canada. They do not apply outside of Canada, and they were all made in Canada by definition.

Could the leader try another reason, a fourth reason, one that might be more believable?

**Hon. Marjory LeBreton (Leader of the Government):** The fact is that the previous government's efforts on this front were a dismal failure. We are working on a new plan on the entire issue of climate change and clean air.

• (1450)

I suggest Senator Mitchell and others be patient. They will like what they see when Minister Rona Ambrose releases a comprehensive plan in the early fall.

**Senator Mitchell:** Can the minister briefly give us a list of those programs amongst the 15 that she thinks are not made in Canada, that she thinks do not apply in Canada, and that she thinks somehow apply somewhere outside of Canada? Can she give us that so we have some sense of the background and so we know that the government did a detailed study of these programs before they cancelled them out of hand?

**Senator LeBreton:** I will simply repeat what I said earlier.

**Senator Mitchell:** It is okay. You do not have to.

**Senator LeBreton:** I would not dictate policy on the basis of what Senator Mitchell thinks or does not think. I will simply leave it to the capable Minister of the Environment, Minister Ambrose, to come forward with a comprehensive plan. It is clear from public opinion research that has been done and published in newspapers that the Canadian public also knows that the previous government failed dismally. As I mentioned in an answer last week, so does one of the Liberal's star leadership candidates, Michael Ignatieff.

[*Translation*]

#### DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** Honourable senators, I have the honour of presenting delayed answers to four oral questions raised in the Senate.

The first response is to a question raised by Senator Hays on May 4, 2006, regarding Kyoto commitments. The second is in response to a question raised by Senator Austin on May 11, 2006, regarding the agreement of first ministers meeting on Aboriginal issues. The third is in response to a question raised by Senator Ringuette on May 16, 2006, regarding the proposed softwood lumber agreement and vetting changes in policy with the United States. The fourth response is to a question raised by Senator Banks on May 16, 2006, regarding the Kyoto Protocol.

#### THE ENVIRONMENT

##### KYOTO COMMITMENTS

(*Response to question raised by Hon. Daniel Hays on May 4, 2006*)

This government is committed to working within the UNFCCC process with the international community to strive to meet the ultimate objective of the Framework Convention which is to ensure that human activities do not adversely influence the global climate system.

The Minister of the Environment has recently stated that we will pursue a variety of paths in working towards our national clean air and greenhouse gas emission reduction objectives, with Kyoto being one of those paths.

In her remarks to the House of Commons on May 11th, she stated that:

“Even though we cannot meet the targets that the Liberals negotiated, that does not mean that we give up the fight. We are committed to real progress on cleaning up Canada's environment and on reducing our greenhouse

gas emissions, and we are committed to face the challenge before us in an open and transparent way and develop realistic and reachable goals to reduce pollution and greenhouse gases.

We are turning a new leaf on the environment with a commitment to Canadians that all the money for the environment will be spent on the Canadian environment. We will not send taxpayers' money overseas to buy credits. These are billions of dollars that can be invested in Canada to help reduce pollution right here at home, to build greener infrastructure, to develop new technologies and to make Canada more efficient and economically competitive.

The principle that guides us is that in our initiatives Canadians will always come first. To that effect, our government is focused on made-in-Canada solutions that are inclusive and results oriented. We will respect the particular needs and circumstances of each of our country's provinces and territories, but we will always insist that our initiatives have direct benefits to Canadians and the Canadian environment. We want to see tangible benefits where it matters most to us, which is in Canadian communities.

Our first focus is on domestic action to ensure that Canadians can enjoy clean air, clean water, clean land, clean and secure energy and healthy communities.

We have already begun, with an investment in made-in-Canada solutions that deliver real environmental and health benefits to Canadians, by investing in new, greener, cleaner transportation and incentives to get Canadians out of their cars and into public transit. This is important because transportation is one of the highest contributors to pollution and greenhouse gases.

We have met recently with the provinces and territories to launch a way forward to a national renewable fuel strategy that will see real, tangible benefits to the environment and economic benefits to the agriculture sector.

We have launched a long overdue review of the Canadian Environmental Protection Act, Canada's most important piece of environmental legislation.”

As reflected in the remarks of Minister Ambrose, the government is committed to delivering a made-in-Canada approach that will see real progress in cleaning up our environment and in reducing pollution and greenhouse gas emissions. We will do this in an open and transparent manner by setting realistic and achievable goals.

A realistic and effective plan for reducing greenhouse gas emissions for the long term will:

- have clean air benefits (co-benefits)
- take advantage of opportunities to build a competitive and sustainable Canadian economy through a commitment to efficiency and a commitment to greener and cleaner technologies

- advance our interests in our energy security
- support regional development
- ensure that environmental spending improves Canada's environment and strengthens public and community health
- engage Canadians through incentives and communities to take action at the local level
- respect the needs and circumstances of provinces and territories across Canada
- ensure much stronger integration of our domestic and international climate change agendas

The government is looking carefully at existing programs in this context.

Fifteen climate change programs have been terminated where the work was completed or it has been decided that a different approach is required. No decisions have yet been made with respect to future funding for programs like the Partnership Fund.

We want to see a more inclusive international approach which sees large emitters like China and India take on commitments to reduce pollution and greenhouse gases within the Kyoto Protocol. To reach a global solution, we need everyone to be part of the equation.

We expect that more detail and the full scope of the government's approach to a "Made in Canada" to clean air and climate change will be articulated in the months ahead.

The information related to climate change and clean air on the Web sites of Environment Canada, Natural Resources Canada and others is being updated to reflect the government's approach to secure real and lasting benefits on clean air and greenhouse gas emission reductions.

## INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

### AGREEMENT OF FIRST MINISTERS MEETING ON ABORIGINAL ISSUES

*(Response to question raised by Hon. Jack Austin on May 11, 2006)*

The Honourable Jim Prentice, Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, has had many meetings to date with leaders of the national and, indeed, regional, Aboriginal organizations. He has also had bilateral meetings with several of his provincial counterparts, including Minister Christensen of British Columbia.

This government is proud of the fact it is taking action to address conditions faced by Aboriginal Canadians.

The government has stated that it accepts the objectives and targets agreed upon at the First Ministers Meeting, but it must be stated that there was no agreement on exactly how the \$5.1 billion would be spent, or of its source. This government intends to work closely with the provinces, territories and Aboriginal leadership to develop a responsible fiscal plan for addressing Aboriginal poverty and, as stated in the Speech from the Throne, to "seek to improve opportunity for all Canadians, including Aboriginal peoples".

One example of concrete action by this government was the announcement on May 31, 2006, that the Government of Canada and the Assembly of First Nations have agreed to establish an independent panel which will examine and provide options for a regulatory framework to ensure safe drinking water in First Nations communities. The establishment of the expert panel is one of the commitments the minister made when he announced his action plan on water in March of this year. This announcement is also in keeping with the Government of Canada's objective, stated in the recent federal budget, to support Canadian Aboriginal communities by providing \$450 million for improving water supply and housing on reserves, education outcomes, and socio-economic conditions for Aboriginal women, children and families.

Budget 2006 said that investments in Canada's Aboriginal communities will also include:

\$300 million for Aboriginal housing off-reserve;  
\$300 million for affordable housing in the territories; and  
\$2.2 billion to address the legacy of residential schools.

## INTERNATIONAL TRADE

### SOFTWOOD LUMBER AGREEMENT—VETTING CHANGES IN POLICY WITH UNITED STATES

*(Response to question raised by Hon. Pierrette Ringuette on May 16, 2006)*

Anti-circumvention provisions are a standard feature of trade agreements. They are meant to ensure that neither party undermines commitments set out in the agreement. Specific language on the anti-circumvention provisions will be developed over the coming weeks. We will consult with Canadian stakeholders during this process.

## THE ENVIRONMENT

### KYOTO PROTOCOL—ALTERNATIVE PROGRAM

*(Response to question raised by Hon. Tommy Banks on May 16, 2006)*

As you are aware, the Kyoto Protocol was negotiated in Japan in 1997 as part of the United Nations Framework Convention on Climate Change at the third Conference of the Parties.

The national emission reduction commitments that were assigned to Annex 1 Parties, and others associated with the Framework Convention, such as undertaking national inventories and annual reporting, can hardly be described as “Made in Canada”. They were reached through a protracted and collective process of negotiations among some 189 signatories to the Framework Convention and 163 signatories to the Kyoto Protocol.

The “Made in Canada” commitment that has often been referred to is in the process of being articulated, by commitments made in the Speech From the Throne, commitments made in Budget 2006 and by ongoing deliberations between members of the Cabinet and key stakeholders across Canada.

The decisions that are being taken and communicated regarding how we address the joint issues of greenhouse gas emission reductions and clean air will amount to what has been and is referred to by the Minister of Environment and others as a “Made in Canada” response.

The “Made in Canada” response will ensure real progress in cleaning up our environment and in reducing pollution and greenhouse gas emissions. The intent is to work in an open and transparent manner to set and achieve realistic goals within realistic timeframes.

A realistic “Made in Canada” plan for reducing greenhouse gas emissions for the long term must:

- have clean air benefits (co-benefits)
- take advantage of opportunities to build a competitive and sustainable Canadian economy through a commitment to efficiency and to develop and deploy green/clean technologies
- advance our interests in our energy efficiency
- support regional development
- ensure that environmental spending improves Canada’s environment and strengthens public and community health
- engage Canadians through incentives and communities to take action at the local level
- respect the needs and circumstances of Provinces and Territories across Canada
- ensure much stronger integration of our domestic and international climate change agendas

As announced in Budget 2006, the government has increased infrastructure spending on public transit by \$1.3 billion. Further, it has moved to make monthly and annual bus passes tax deductible, thereby providing an incentive for Canadians to get out of their cars and into a cleaner transit alternative.

Most recently, the government has announced an agreed approach involving provinces and Territories to implement a goal of five per cent average renewable content in

Canadian motor fuels by 2010, significantly advancing Canadian production capacity in line with efforts in the U.S. and European Union.

Most if not all agree that, globally, we need an inclusive international approach which sees large emitters like China and India take on commitments to reduce pollution and greenhouse gases within the Kyoto Protocol. To reach a global solution, we need everyone to be part of the equation.

Canada is committed to work towards the ultimate objective of the United Nations Framework Convention on Climate Change and has recently communicated its willingness to take on further emission reduction obligations post 2012 in a manner that is consistent with a global consensus to so act.

These are all elements of a “Made in Canada” approach, by Canadians and for Canadians, to climate change and clean air.

It will see federal spending further the environmental goals and aspirations of Canadians and our communities.

## ORDERS OF THE DAY

### BUSINESS OF THE SENATE

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** Honourable senators, pursuant to rule 27(1), I give notice that, when we proceed to Government Business, the Senate will deal with the items in the following order: resuming debate on the motion of the Honourable Senator Angus, seconded by the Honourable Senator Eyton, for the second reading of Bill C-13, to implement certain provisions of the budget tabled in Parliament on May 2, 2006; second reading of Bill C-15, to amend the Agricultural Marketing Programs Act; resuming debate on the motion of the Honourable Senator Nolin, seconded by the Honourable Senator Andreychuk, for the second reading of Bill S-3, to amend the National Defence Act, the Criminal Code, the Sex Offender Information Registration Act and the Criminal Records Act; and resuming debate on the motion of the Honourable Senator LeBreton, P.C., seconded by the Honourable Senator Comeau, for the second reading of Bill S-4, to amend the Constitution Act, 1867 (Senate tenure).

[English]

### BUDGET IMPLEMENTATION BILL

#### SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Angus seconded by the Honourable Senator Eyton, for the second reading of Bill C-13, to implement certain provisions of the budget tabled in Parliament on May 2, 2006.

**Hon. Art Eggleton:** Honourable senators, we were all entertained last week by Senator Angus and his enthusiasm in sponsoring Bill C-13. I frankly do not know how he did it. There is nothing to be enthusiastic about in this piece of legislation. This budget bill does not respect the wishes of the majority of Canadians. It does not meet the needs of Canadians.

Last week, in questions and answers I had with the Leader of the Government in the Senate, we talked about what constituted the mandate of this Harper government. I pointed out they received only 36 per cent of the vote. She said that may be true, but the Liberals did not get the majority of the vote in the years they had government under Mr. Chrétien. I further point out two other things: They do not even have a majority of seats in the House of Commons. They have about 40 per cent of the vote in the other place. At least in the days of the Chrétien government, there was a majority in the other place.

Getting back to that statistic about 36 per cent of the people, if you turn that around into 64 per cent of the people, you will find that most of them voted for progressive policies, particularly progressive social policies. There was no mandate given to this new government to make changes in those social policies. Canadians quite seriously did want a change in government. They wanted new people to manage the government. However, they were not asking for substantive changes in the way government policy was implemented in this country. In this budget bill, I think the government ignores that. They have no respect for the wishes of the vast majority of Canadians who want to continue with programs such as early learning and child care, who want to continue with the Kelowna accord, who want to continue to meet the objectives of Kyoto and who want to continue supporting post-secondary education and investments in innovation and research. All these things have not been handled in Bill C-13 in a way that is respectful of the wishes of Canadians.

Let me start with early learning and child care, because a number of people have been asking questions about that in the last little while. It is interesting to note what people in the Child Care Advocacy Association of Canada say about this government. They say this government does not understand the benefits of early learning and child care or how to develop it. An allowance to parents, which is what that \$100 a month is, is not an early learning program for children. This government cannot seem to understand that at all.

Over and above giving money — as I think our leader calls it, a family allowance, because that is what it is — to call it a universal child care program is an insult to people's intelligence. That is what they are trying to call it. It is a supportive program in terms of family allowance, or similar to it, and no one objects to people having additional money in their pockets, but to suggest that it answers the needs of early learning and child care is absolutely false. It does not create spaces. It does not ensure quality child care is provided in this country.

You know what it is like, honourable senators. It is as if 140 years ago, about the time that Canada started, the government of the day had come out and said, "We will give every parent in this country \$100 a month, and you go out and get the education you think you should get for your children." In other words, rather than establishing an education system, the

government would give the \$100 to people and let them have their own choices. This issue is not about daycare or babysitting per se.

This issue has to do with early learning for our children because early learning will help ensure the future prosperity of this country by ensuring these people meet their maximum potential and take advantage of the opportunities. This government ignores that need by only providing something that has no relationship to the cost of providing those kinds of programs. In Ontario, for example, you are talking about \$500 to \$700 or more a month, and it is the same for British Columbia. In Nova Scotia, it is from \$488 to \$565. These ranges depend on the age of the children involved.

Of course, this government not only ignores the real costs but also cuts off funding at age six, as if that is the end of it. There is no need to provide anything for children beyond age six. That cut-off is ridiculous. That program is not a child care program. When parents look at a number like \$400, \$500 or \$700 a month, to which they apply \$100 a month, which is taxable, the actual amount of money parents get at the end of the day is about \$72, on average.

• (1500)

There was a plan in place. It was supported by all the provinces, even the ones with Conservative governments. Even Ralph Klein supported it. They decided to just throw that away and provide this \$100 allowance.

The leader did say the government will provide another \$250 million a year so they can provide 25,000 spaces. How will they do that? First, they will have a consultation to figure out how to do that. There have been lots of consultations already, but they will do more.

The private sector is in the hopper as being one of the recipients. Here is a quote from *The Globe and Mail*:

...75 per cent say their companies are unlikely to take up the budget's corporate tax credit of up to \$10,000 for new child care spaces.

In many cases, they do not see it is a priority or they believe their company is too small.

It does not sound like many companies will take up the challenge of creating those spaces. Mike Harris tried that approach and no one took him up on it. No spaces were created. The government will not create any spaces either; it will continue to ignore the developmental needs of the children of our country.

Another provision in this budget to which I will speak is the 1 per cent reduction in GST. In juxtaposition to that reduction is the whole question of personal income tax measures and alternatives.

A quote from *The Globe and Mail* makes the point in this case. It says:

Mr. Flaherty's budget document defends the GST reduction as a benefit to the poorest Canadians, those whose earnings are too low to incur income tax. But Greg DeGroot-Maggetti, an official with Citizens for Public Justice, said that the cut won't help the poor much.

“GST isn’t charged on the basics, which is food and housing, which make up the biggest expenditures for low-income households. There really is very little for the 1.2 million children and their families who are living in poverty.”

*The Globe and Mail* clearly states that this is the wrong way to go.

Not only that, we have an economist — a tax lawyer, David Douglas Robertson — who says, “Don’t tax me when I earn it, tax me when I spend it,” which is the opposite direction of this government.

This quote is very instructive at well. He says the answer to the question is clear — talking about GST versus income tax reductions:

Cutting the personal income taxes is by far and away better for individual Canadians compared to a 1 per cent reduction in the rate of GST. Why?

(1) Cutting the lowest marginal personal income tax rate by 1 per cent and increasing the basic personal amount by \$500 is worth about \$320 annually to most individual Canadians. In order for an individual to obtain the same tax savings through a 1 per cent reduction in the GST, an individual would have to spend at least \$32,000 annually on goods and services that are subject to GST.

Also, there are basic things that low-income and modest-income Canadians spend most of their money on — rent or mortgage payments, groceries, prescription drugs, health care, tuition, child care, insurance, et cetera — that are not subject to GST. To get the equivalent value, what will they buy — a Mercedes? We are talking about low and moderate-income people, people with taxable incomes between \$9,000 and \$50,000 annually. They would have to spend 100 per cent or more of their disposable income to take full advantage of this reduction.

Every leading economist in this country — except Stephen Harper — says that this direction is absolute folly; we should cut income taxes. Instead, what are they doing? They are raising the income tax rate for the lowest income group in our country.

After people get their tax announcements that indicate taxes have gone down to 15 per cent, this government will raise it to 15.5 per cent, July 1. Honourable senators, let us not be in too much of a hurry to pass this; we are passing a tax increase. Thank goodness Senator Austin has a bill, Bill S-15, which will correct that. I hope the bill will be passed by the Senate.

Moving on to tax credits, a couple of them are in the bill, but most of them are not. Even though Senator Angus did not seem to be aware of when they were coming, I take it the tax credits will come in a subsequent bill — the tax credit on the transit, the one on the textbooks, and the one if you are working, et cetera.

The only comment I wish to make about tax credits, since most of them are not here at this point in time, is that I think the

government has managed to increase hope. Why would they do this, inflate expectations? They have inflated expectations about what these tax credits mean.

The government talks about a \$1,000 Canada employment credit. That sounds nice, but the actual tax dollars that credit represents is about 10 to 12 per cent of that, which is the same with any of these tax credits. The tax credit amount looks a lot bigger than the actual tax saving.

In fact, when you talk about the tax credit for textbooks for our students, here is a quote from the government relations coordinator for the Canadian Federation of Students. He says:

Tax credits are the worst way to allocate student financial assistance. They are blind to the need and are useless to the vast majority of students who aren’t even on the income tax rolls to start with.

What kind of a deception is this — putting all these amounts out there and saying the government will provide all these credits when, in fact, they mean little or nothing in terms of the bottom-line tax dollars that Canadians will see?

That is what is in the budget bill, Bill C-13. There are a few other provisions in there as well. Most of them, I think, are not controversial; those provisions are the key controversial ones.

Equally controversial are the provisions that are not there. Bill C-13 falls short of meeting the needs of Canadians by what is not in Bill C-13.

There is Kelowna, first of all. Let us look at the Kelowna accord. The Leader of the Government in the Senate, Senator LeBreton, has tried to skirt around this for a number of Question Periods. She said Kelowna was not really an agreement; it was just a bunch of people chitchatting away — for 18 months, mind you. A lot of people who were there seem to think there was an agreement and they do not particularly like the government renegeing on it.

Ralph Klein is a Conservative. He said he does not particularly like it, nor do the other premiers and territorial leaders. He “liked the commitment that was given by the Liberal government to the First Nations and the Metis people.” He thought the agreement went a long way to addressing some of the needs of Aboriginal people — of education, of housing, and of dealing with a whole range of issues that relate to women, children and families, particularly violence against families. Kelowna dealt with some of these issues.

What did the Aboriginal leaders say? Here is what Grand Council Chief John Beaucage says:

This budget is a far cry from what was committed by the First Ministers. Once again, we’ve been left out in the cold. Like the proverbial poor person looking in through a frosted window watching somebody having a real nice dinner in a fancy restaurant.

Senator LeBreton skirts around it, but the Deputy Leader of the Opposition got her today with Mr. Goodale's statement that \$5 billion was put in the budget for Kelowna. The government has not put in anything like that; they put a pittance in the budget compared to that. They have not indicated any kind of commitment. Where is their moral commitment to that agreement?

What do you do, throw out everything previous governments have done? Some good work has been done. Why do honourable senators not get up and say they support Kelowna, they support \$5 billion being spent, just like Ralph Klein and the Aboriginal people want.

Kelowna represents an incredible and realistic opportunity toward closing the prosperity gap between Aboriginal people and other Canadians, in education, health, housing or economic opportunities. I can see no reason why any government of any colour in good conscience can walk away from that agreement. I hope the government reconsiders that agreement.

• (1510)

Senator Mitchell had good questions on climate change concerns today in Question Period. We made a commitment to Kyoto. Yes, there was a long way to go and not everything was on track to being done on time, but there were many good things in there and there was a sense of commitment to making that international agreement work. They just threw agreement in the dust bin and say that we failed miserably. What do some people in the environmental community have to say about this? I do not agree that we failed miserably. However, we may hear some independent thought on this subject. On May 2, Dale Marshall from the David Suzuki Foundation said:

Prime Minister Harper has dismantled the only climate change plan our country had and replaced it with subsidized transit passes that will do little to fight air pollution or convince people to leave their cars at home.... It's completely irresponsible.

From Greenpeace we hear:

This budget is a climate change catastrophe. It feels like, looks like, acts like, made-in-the-U.S.A climate change policy made by George Bush.

Stephen Harper is doing exactly what Mr. Bush did in 2001. That is not much of a made-in-Canada policy. Time is marching on and the climate-change damage is marching on. Fifteen programs have been cancelled. The EnerGuide program was working well and producing efficiency at \$200 per ton cost whereas the transit pass is \$2,000 per ton cost, 10 times as much. The government cancels the cheaper one and puts in the more expensive one. That is not marching down the path to make good on our commitment to Kyoto.

When the minister was recently at the meetings in Berlin, people from countries that support Kyoto were horrified by her backing off on the commitments that Canada had made under the environment minister of the previous government, Stéphane Dion, who did a wonderful job when he was in that position.

Post-secondary education is another area that is absent from this discussion. That is regrettable, because the government has cancelled commitments that were presented in the Goodale economic update last fall. These commitments were, by and large, cancelled. They cancelled \$3.11 billion over five years, or \$600 million a year, and replaced it with approximately \$380 million a year. Therefore, they have cut down on post-secondary education support. That is regrettable because that is key to our prosperity in the future and we cannot afford to let down support for people going through our educational institutions and helping to provide for our future.

In connection with that is the lack of support for innovation in research. Everyone in the Conservative ranks talks about prosperity and productivity. Yet, they are not doing anything to help prosperity and economic activity. When it comes to innovation in research, we had more than \$2.1 billion in new funding over five years in the previous government's plan and we have managed to reduce that to \$100 million in the Conservative budget. That will simply not meet the needs of this country in the future.

Do not talk to us about prosperity or productivity. This government is doing nothing to move in that direction, nor is this government doing anything in terms of international competitiveness. We can return to the same economic statements I made earlier about the GST versus income tax reductions. Most economists agree that this budget does little for Canada's economic competitiveness. A reduction in the GST and an increase in income tax rates is not productivity-enhancing and will not help us to compete in the international marketplaces.

On the subject of economic prudence, the previous government had a significant and positive record when it came to dealing with the economy and our fiscal house. We took over from the previous Conservative government and I hope when we take over again we do not find a mess similar to the mess that was left in 1993.

The government of Brian Mulroney and Kim Campbell saw unemployment at 11.5 per cent. Today unemployment is down to 6.3 per cent thanks to the Liberal government's fiscal management. When we took over from the Conservatives, the debt burden was about 70 per cent. It is now down to 38 per cent. That saves us billions of dollars every year in interest that goes to supporting good programs for Canadians. Employment Insurance premiums were cut in half. Federal program spending came down from 16.8 to 12.6 per cent. The foreign debt went from 45 per cent to 17 per cent. We have seen the Canadian dollar appreciate. Personal income taxes, through several tax measures, have come down substantially in that period of time.

The economy was handled well and the Liberal government has turned over to a Conservative government a well managed economy. However, one of the things the Liberal governments included year after year was a measure of fiscal prudence. There was always a \$3 billion contingency reserve which, if it was not needed, was put against the debt. I believe that is being continued, but in a smaller amount.

There was, however, an additional amount for prudence which has proven to be valuable. From time to time we run into economic challenges such as September 11, the mad cow crisis,



the SARS crisis or the Asian currency crisis. If we do not have that fiscal prudence we will end up in a deficit very quickly. That is one thing that Canadians do not want any more; they do not want to go into deficit or to add to the debt again.

This government has now removed the cushion that ensures that we do not fall into that situation again. Most economists have commented on the matter of our getting close to a possible deficit situation. If anything should go wrong in the economy we could face that kind of challenge.

If surpluses have increased, it is because of the good management by the former government. This government plans to reduce surpluses through the fiscal balance and that is fine, but I would urge them not to remove the prudence. There was \$1 billion scheduled to go into the prudence fund and to increase over the next couple of years. That is not an excessive amount of money, just over \$1 billion, but it is wise to do in case we run into rough economic times.

Honourable senators, I cannot be enthusiastic for this budget the way Senator Angus is. He was really on top of his game; he was really hyped up and I could not understand why. There is nothing in this budget to get enthusiastic about. This budget does not respect the needs of Canadians or the needs or wishes of the majority of Canadians who voted for more socially progressive policies to the tune of 64 per cent of the population versus 36 per cent that voted for the Conservative government. Yes, they have a mandate for change, but not a mandate for radical social change. They did not get a mandate for that purpose and this budget goes too far and is not respectful of the Canadian people.

• (1520)

**Hon. Lowell Murray:** Honourable senators, like Senator Eggleton, I too enjoyed the speech delivered last Wednesday by the sponsor of the bill, Senator Angus. I listened very attentively to him but at one point I could not believe my ears. Therefore, I reviewed the June 7 *Debates of the Senate* and, sure enough, at page 456 I read that the honourable senator said, among other things:

...Canada's fiscal laws are in urgent need of overhaul, updating and reform. We have not had meaningful and comprehensive tax reform in this country since the days of Walter Gordon and Kenneth Carter.

I am incredulous. I am cut to the quick that Senator Angus, of all people, would be among those trying to airbrush the Progressive Conservative government of Brian Mulroney completely from the historical record. For the record, allow me to point out that toward the end of our first mandate in 1988, the former Mulroney Finance Minister, the Honourable Michael Wilson, reduced the number of tax brackets from 10 to three; reduced the top federal rate by five points, a reduction made possible by elimination of a number of incentives in both personal and corporate sectors; and converted a number of deductions to credits with a view to targeting assistance to those most in need. For example, the child deduction, family allowances and child tax credit were folded into a child tax benefit. To Senator Angus I would say, "That is tax reform." With all due respect to the current Minister of Finance, the Honourable Jim Flaherty, and with full understanding of the fact that he has been in office only a

few months, nothing in Budget 2006 approaches what was done by the Mulroney government and by Mr. Wilson in the area of tax reform.

In its second mandate, the Mulroney government brought in the GST. I need not remind honourable senators of the destructive aspects of the old manufacturer's sales tax. Year after year after year, successive governments identified those defects and tried to fix them by fiddling with various exemptions of one kind or another and then paying for the variations and exemptions by increasing the rate. To complicate matters further, Canada was entering a global competitive environment hobbled by a tax that increased the price of our exports. Thus, the government of the day brought in the GST. Again, to Senator Angus I would say, "That is tax reform," and nothing that is in the current budget approaches it.

Honourable senators, I am distressed to see that Mr. Harper, who is nothing if not an orthodox economist and who understands perfectly well that a reduction in the income tax is a far more effective and progressive measure to take socially and economically than a reduction in the GST, nevertheless, allowed his political instincts to take precedence over his economic training. If Mr. Harper wanted to play hardball and strike a blow against vertical fiscal imbalance, the existence of which he has acknowledged, unlike his predecessors, he should put the GST on the table when he sits down with the premiers to discuss those matters. He should invite the provinces that have not harmonized their sales taxes with the GST to do so. At the same time, he might go one step farther and undertake to include the GST in the price of the goods and services being sold. I used to think in my high-principled Conservative naiveté that people wanted a visible tax so they would know exactly how much tax they were paying. As it is, people and businesses would prefer to have the tax included in the price. There is another item for the agenda if Mr. Harper wants to strike a blow against vertical fiscal imbalance.

At page 457 of the *Debates of the Senate* Senator Angus referred to Budget 2006 as "investing in Canadian families and communities by introducing Canada's universal child care plan." To Senator Angus I would say, "A universal child care plan, it ain't."

Allow me to take honourable senators back to 1988 and Bill C-144, introduced by the Mulroney government, which provided tax measures, including a child tax credit and an increase in the child care expenditure deduction, a special Aboriginal component that would have created 2,000 daycare spaces over six years and a commitment of \$4 billion to cost share with the provinces a minimum of 200,000 new and subsidized daycare spaces over seven years. Honourable senators, that is a universal child care plan.

Bill C-144 died on the Order Paper in the Senate because senators opposite then, as those now in opposition, would not let it pass, although it passed the House of Commons. The bill came to the Senate, was not passed and died with dissolution of Parliament in 1988. In 1989-90, the bill fell victim to budgetary constraints. Fast forward to the year 2000 when the Federal-provincial-territorial Ministerial Council on Social Policy Renewal produced the national children's agenda. Three years

later in 2003, we saw the federal-provincial-territorial framework on early learning and child care. In 2005, the government negotiated agreements in principle with the provinces totalling \$5 billion over a five-year period.

I am the first to acknowledge that while there is less to those agreements in principle than the Liberals claim, there is much more to them than the Conservatives say. They were agreements in principle. They stated objectives and goals and went so far as to identify areas for investment. It is true that specific action plans still had to be produced by the provinces within a stated period of time. Each of those agreements had a chart showing how the money from Ottawa would flow year after year for five years. However, a multi-year financing agreement still had to be negotiated, which, I understand, was concluded by only three of the provinces with the federal government. Of course, there were references to Aboriginals and minority language communities, but these too were to form part of the action plan to be brought back by the provinces and agreed to by the federal government.

All that being said, like the Mulroney government's Bill C-144, it provided a framework and a basis for a national child care system. That is the important point. What we have before us in Bill C-13 is not a national child care plan but a baby bonus, and not a progressively designed baby bonus at that. As has been mentioned, \$250 million has been provided "to support the creation of child care spaces."

At page 103 of the budget plan, honourable senators will see that the government will consult to ensure that assistance is effective in creating additional child care spaces responsive to the needs of parents, et cetera. The key issues for these consultations will include different delivery approaches, the unique needs of small businesses and rural communities and the types of start-up and equipment costs that will be required. In other words, "the government is reinventing the wheel 18 years after a child care program died on the Order Paper in this place and they are doing so in a way that is totally inconsistent with the approach to federal-provincial relations taken by the Prime Minister, an approach which I have supported. He says that one of the tenets of his federal-provincial relations policy is to respect the jurisdictions of the provinces.

• (1530)

Even the Martin government negotiated those agreements in principle in the context of the social union framework agreement, a copy of which I have here. It provides that the design of the child care program is left to the provinces as follows:

Each provincial and territorial government will determine the detailed program design and mix best suited to its own needs and circumstances to meet the agreed objectives.

Why is the federal government mucking about, consulting about different delivery approaches and the unique needs of small businesses? That is in the provincial jurisdiction. The way to go with a program like this one is to negotiate it in the framework of the social union framework agreement, agree to the financing and to some principles and have the provinces do their thing and thus develop what will become a national child care system. What they

are doing now is inconsistent with the approach that Mr. Harper announced at Quebec City and elsewhere on federal-provincial relations.

In 1988, Prime Minister Mulroney went to a first ministers' conference in Vancouver and identified the lack of affordable, flexible and quality child care in this country as being one of the most persistent barriers preventing women from making a full contribution to the nation's social and economic life.

**Some Hon. Senators:** Hear, hear!

**Senator Murray:** I am glad to hear the applause from this side because that attitude is nowhere reflected in the policy of the present government.

A year later, at the first ministers' conference in Toronto in 1987, Mr. Mulroney told the premiers:

Working together, we can meet the challenge of achieving equality and dignity for working women — one means to help us achieve that goal is a national child care system.

What a remarkable difference between that compassionate, enlightened and progressive attitude and that of the party that presently forms the government. I am sorry our friend Senator St. Germain is not in his seat — he was there a few minutes ago — because I want to quote him from the *Catholic Register* of June 11, under the heading, "Canada has lost its moral way, says senator":

St. Germain also decried the current government policy of supporting child day care. He said he is angry at Canada's willingness to take over for parents as the primary source of moral formation for young people.

"What has our society come to when we are willing to relinquish this responsibility to the state?"

What a remarkable difference between the position taken by Prime Minister Mulroney and his government and the position taken today.

It is fair to say that we will not have a national child care system in this country because the party that now forms the government has a principled objection to that and, in some cases, believes that daycare is morally objectionable. I respect the position, but I profoundly disagree with it.

Eighteen years after Bill C-144 and six years after the National Children's Agenda, we are still farther away than ever from a national child care system. I say this is a loss for our economy, for social cohesion and for disadvantaged kids in this country, and I do not mean just financially or economically disadvantaged. I mean kids who need the assistance of early childhood learning.

Never was that old right-wing cliché "a hand up instead of a handout" more appropriate than it would have been in this case. Instead of a hand up, the present government is giving a handout to the children of Canada. It is a major step backward.

**Some Hon. Senators:** Hear, hear!

[ Senator Murray ]

**Hon. Grant Mitchell:** Honourable senators, I rise to explain why I have grave difficulty with this budget, why I feel it makes fundamental errors and misses unique opportunities that Canada could grasp in its effort to take its leadership place in the world.

I would like to concur with Senator Murray and express my appreciation for his comments about daycare and early childhood learning, about our program. It could be a program of great national consequence and of great consequence for many less fortunate people, in particular, and for many women who do not have the choice not to work but who must work, namely, single parents, and need the kind of support that program would have provided.

I should like to establish my belief that this budget reflects a triumph of votes over policy virtue. The government has tried to depict itself as a government of expertise and of administrative capability, of competence, the word so often used to describe itself. Yet it is clear that on key policy initiatives embraced by this budget, its policy initiative is not based upon prevailing wisdom, facts or a proper study. It is based, quite the contrary, upon pure politics.

My colleague Senator Eggleton made a strong point about the inappropriateness of cutting the GST, if you consider it from any number of objectives. First, it is not real tax cutting that helps people who need their taxes cut. Poor or low-income people would not benefit from it as they would from the tax cuts that we have brought in.

Second, it denies the economic imperatives of productivity and of promoting productivity for this country. Every economist, as Senator Eggleton said, except Prime Minister Harper, is very clear. There is a consensus that reducing the GST will not enhance productivity. Reducing income tax does enhance productivity at a time when Canada's economy needs to be encouraged in its productivity and competitiveness.

Here we have a GST-cutting policy that runs contrary to prevailing, conventional wisdom, facts, analysis and the kind of understanding that should drive this policy differently.

With respect to mandatory minimums, that is a classic "votes over virtue" kind of policy. Many areas of correctional policy and theory are difficult to establish, but it is generally seen by experts in this field that mandatory minimums do not work to reduce crime. When the minister in the other place was pressed to come up with studies that defended the government's position on increasing mandatory minimums, of the three or four studies he produced, one of them did not defend the case either way, and two of them argued against the case he was making.

There is little, if any, support for the idea that mandatory minimums will reduce crimes. The evidence, experience and policy evolution in the United States underline clearly their understanding that mandatory minimums are not a preferred policy initiative by any stretch of the imagination.

On the other side, it will cost a huge amount of money.

• (1540)

This government is resorting to vote buying in perhaps one of the more crass versions that I have ever seen. They have created a problem, this idea that there is rampant runaway crime that is increasing in ways that would suggest it is out of control, when clearly, that is not the case. They then compound that problem by saying that mandatory minimums will solve the problem, when clearly, they will not solve that problem and will cost the taxpayer hundreds of millions of dollars for no apparent good and no achievement whatsoever.

The issue of fiscal imbalance is a third area where the government is denying the facts, as it were. They are trying to create the impression of a problem so they can milk the solution to that problem for political gain. Clearly, they think that they have an issue that resonates well in Quebec. The fact is that if you analyze the issue of fiscal imbalance, it does not exist.

Provinces have more sources of income than the federal government. Amongst them, their additional sources of income are gambling revenues. Not only that, but the federal government turns around and gives \$42 billion to the provinces. The provinces have plenty of money. There is not a fiscal imbalance. The equalization program has served this country well and will continue to serve it well, but there is not the fiscal imbalance that Mr. Harper is trying to portray as existing. Why would he want to perpetuate that problem? He sees it as a political advantage.

Again, it raises the question: Why would they want to do that at tremendous cost to Canadian taxpayers? If they spend more money to redress a fiscal imbalance that does not actually exist, they will have to find that money somewhere. Where would we find that money? We either have to cut programs, and that is a question I will address later, because, clearly, this government has it in mind to cut programs. They will have to cut about \$22 billion worth of programs to even begin to meet their promises. The other alternative is that they will have to raise taxes. One hopes that the government will not pursue that course of action any more aggressively than they already have by increasing the personal income taxes of Canadians that we had cut previously.

There is no issue or problem that lowering the GST will fix; that will create more problems. There is no problem that exists that mandatory minimums will fix; they will likely create more problems and more expense. There is no fiscal imbalance problem that this government's fiscal imbalance bias will ever fix; in reality, it will cost more money.

That brings me to a fourth issue, and that is the issue of fiscal responsibility and managing an economy. I am reminded of a statement that I believe was made by Sir Winston Churchill. Historians may be able to correct me on this. Churchill once said that if you can convince the public that you are an early riser, you can sleep until noon every day. That is exactly what Conservative governments try to do and they have done with some success. From time to time, they have convinced people that they can actually manage an economy and that they are fiscally responsible.

If one were to look at the history of debt in this country, the greatest portion of debt, provincially and federally, that this country has experienced has been created by Conservative governments. I expect that one could make a strong argument that Canadian economies — certainly U.S. economies and stock

markets — underperform historically with Republican governments. If we were to study the subject, I believe that we would find that Canadian economies and stock markets would underperform with Conservative governments.

I come from a province where great effort was made to balance budgets and to begin to pay off debt. I come from a federal party with 13 years of profoundly successful, perhaps unprecedented, fiscal management of this country. We have balanced a budget that had a runaway deficit. I believe that 35 or 40 per cent of the government's entire expenditure was debt and deficit spending. That was turned around, and tremendous strides were being made to pay off the debt up to January.

We now see a budget, as Senator Eggleton pointed out strongly, where there is little regard for fiscal responsibility. I am gravely concerned that this government, in its focus on votes and buying votes, has lost that fundamentally important focus on properly managing the fiscal imperatives of this government. There is no cushion.

An amount of \$3 billion a year has been committed to paying off a \$488 billion debt. At that rate, it would take 160 years to pay off the debt. How is it that this government can say it is concerned about families and people now when it is prepared to mortgage the future of those families and the children of this country? We must be focused on paying off that debt, and we cannot take that responsibility and those pressures, in any way, shape or form, lightly. I believe that this budget takes fiscal responsibility very lightly.

I wish to focus on the area of the environment in particular. We talk about Canada taking its place in the world. That has great resonance with Canadians; it certainly has great resonance with me. Canada is a privileged part of the world. We are blessed in many ways, and we have a huge responsibility to play a leadership role in the world in many different ways. One of those areas of leadership has been our history in peacekeeping and the work we are doing in Afghanistan, which I applaud.

The Montreal conference chaired by Stéphane Dion showed that we were capable of leadership and respect in the world for our Kyoto initiatives and our environmental policy. That has been lost. The fact is that Canada can and must be a leader in environmental policy, but that has been gutted and reversed by this government's initiatives.

I have listened intently to the Leader of the Government in the Senate and to her counterparts in the other place as to the reasons the government would choose to cut our 15 climate change programs. I mentioned these reasons today in Question Period. Initially, inefficiency was thrown out.

Clearly, our programs are far more efficient than the one program with which they have bothered to replace those programs. Our programs would cut greenhouse gases at as little as \$20 a ton. Their program would cut greenhouse gases at \$2,000 a ton, if it cuts greenhouse gases at all. Inefficiency is not the real reason they threw that out.

A second reason government representatives have given that Kyoto will not work is that the program has been a failure and has not been able to achieve objectives. The government should

design a program that will achieve those objectives. Instead, they are contemplating a program to reduce the objectives. That would be a way, I suppose, to solve the problem, but it does not solve the environmental problem.

The third issue — and this is the one that makes me scratch my head — is that we need a made-in-Canada policy. I know that stems from this idea that we might be buying tradeable permits allowing corporations and others to buy permits and to invest that way elsewhere in the world. We encourage our corporations to invest elsewhere in the world all the time it is good business. The easy political response to that has been that we will make it in Canada.

The fact is that the 15 programs the government has cut were all made in Canada. They all apply in Canada. They do not apply internationally. They have great promise and were on their way to being immensely successful.

What deeply frustrates me about this government's inability to grasp the importance of the environment — not just to Canadians, but to Canada's place in the world and people around the world — is that they underestimate the ability of Canadians to do great things. This government has said for the last number of months that Canada could never achieve Kyoto objectives. That is like them saying in 1939 that Canada and Canadians could never do what had to be done to assist in winning World War II.

The environment is a huge problem, and it may be a problem on the magnitude of winning World War II, but no one would ever doubt today that Canadians could do what they did from 1939 to 1945, which required massive commitment, energy and capability.

• (1550)

I believe that if we gave the Kyoto program a chance and took our rightful place of leadership on it, we would demonstrate to the world and to the Conservatives that Canadians can rise to that important challenge, can meet and surpass those guidelines, and provide profound leadership in the world in the issue of the 21st century. Instead, we have a government that views this 21st century problem with 19th century solutions. It is a lost opportunity for people and business in the country and for the place Canada could take in the world.

Finally, I am distressed and disturbed by how little this budget does to assist and manage the economy.

**The Hon. the Speaker:** Honourable senators, the time allotted to Senator Mitchell has expired.

**Senator Mitchell:** Could I have five more minutes to conclude my remarks?

**The Hon. the Speaker:** Is that agreed?

**Hon. Senators:** Agreed.

**Senator Mitchell:** Thank you, honourable senators.

In many ways, this budget falls short of contributing in the ways that it could. I have mentioned the GST. Productivity is a profoundly important issue facing this country. The GST reduction will only serve to harm the furtherance of that objective. Reducing income taxes would promote that objective and, of course, that is exactly what this government is not doing.

Our ability to be an economy of the future will be contingent on our ability to educate our children. This government falls short on early childhood learning by virtue of the fact that it is reneging on daycare agreements and not replacing them with the kind of initiative that is required. It is missing the chance to promote post-secondary education in the way the Liberal government did. We were offering students \$6,000 over the course of a degree program. Students will now get an \$80 tax credit for books and will not have to pay taxes on their bursaries and scholarships. However, very few of them pay taxes anyway, so the government is giving away very little in that regard.

There is an absence of investment in and incentive for research and development. Specific to my region, the gateway to the Pacific program, which was so important to northern Alberta, will be implemented over eight years rather than five. We need these things now.

With its fiscal strength, its powerful economy and the high morale and exuberance of its population, this is the time for this country to grasp the future with respect to environmental policy, with respect to our role in peacekeeping, peacemaking and building democratic societies, and in so many other ways. Yet, those opportunities have been dropped in this budget.

For those reasons, honourable senators, I am very disappointed with the government's first effort at a budget for this country.

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

**Some Hon. Senators:** Agreed.

**Some Hon. Senators:** On division.

Motion agreed to, on division, 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 Comeau, bill referred to the Standing Senate Committee on National Finance.

### AGRICULTURAL MARKETING PROGRAMS ACT

#### BILL TO AMEND—SECOND READING

**Hon. Leonard J. Gustafson** moved second reading of Bill C-15, to amend the Agricultural Marketing Programs Act.

He said: Honourable senators, I am honoured to rise in support of the proposed amendment to the Agricultural Marketing Programs Act, both as a member of the government and as a proud member of the Canadian agricultural community.

Sir Leonard Tilley once said: "Destroy the farmer and grass will grow in the streets of every city in the nation." We are in difficult times in agriculture. The Canadian agriculture and agri-food sector is the backbone of Canada's rural economy and is critical to the overall economic health of the country. It is responsible for more than 8 per cent of our gross domestic product, and one of every eight jobs in Canada relates to agriculture. A strong and vibrant farm sector that provides security of income for farm families and a strong economic foundation for rural communities will in turn provide secure food supplies for Canadians and others around the world.

Our country's farmers are world leaders in efficient production of high-quality agricultural food products. They deserve our support and help to ensure that the industry and, by extension, rural communities, have a viable and sustainable future. This includes making cash advance payments more responsive to the needs of producers to better reflect the reality of the modern farm business.

To remind honourable senators, cash advance programming refers to a program that makes cash advances available to producers, a portion of which are interest free, to meet their high cash-flow requirements during spring seeding. The interest-free portion has been raised from \$50,000 to \$100,000.

It is being proposed that we combine the spring and fall programs, which are already popular with producers, into a single, efficient and more powerful tool. The single cash advance program, known as the Advance Payments Program, the APP, would reduce red tape for producers and extend the repayment period by 18 months. In that way, farmers would have use of the money interest free for an additional 18 months. Further, under the single cash advance program, the government is proposing an increased level of coverage for farmers and broader coverage to include a much wider range of commodities, including livestock. I believe that the most important part of this bill is the inclusion of livestock. Other commodities such as dairies were not previously included in the program.

• (1600)

Specifically, these proposed amendments would move to a whole-farm approach by increasing the types of commodities covered, including livestock but excluding supply-managed products and breeding stock. The proposed amendments recognize today's larger farm sizes and increasing farm input costs by raising the interest-free component of cash advance loans from \$50,000 to \$100,000. The proposed amendments increase the overall limits on advances from \$250,000 to \$400,000 and enhances emergency cash advances.

To give you an idea how the new program would work, producers would secure their cash advances against their stored inventory or, in many cases, potential claims under the Production Insurance Program or Canada's Agricultural Income Stabilization Program in a case of production failure. With livestock now available, cattle producers would hold back animals to take advantage of a better price. That is, they could keep their calves and steers a couple of weeks or months longer to

get the best price for them. In fact, the officials of the AAFC estimate that the proposed amendment will provide an additional \$600 million a year in cash advances to Canadian agricultural producers.

Honourable senators, the amendments we are proposing to the AMPA legislation are about giving Canadian farmers, whether they have to raise livestock or plant crops or both, better tools to run their businesses in a more stable and predictable financial environment. Now more than ever, producers need a level of financial stability whether they are heading out to the field to begin their spring seeding or heading into the harvest in the fall.

Some of the measures included in this legislation will not be implemented until the year 2007, and the government announced in early May that a transitional program, the Enhanced Spring Credit Advance Program, will be implemented, which would be consistent with the proposals changed in the AMPA. Under this enhanced program, producers can borrow up to \$100,000 interest free to cover cash flow demand in the spring. For maximum flexibility, they will have until September 30, 2007 to repay the loan.

As I mentioned earlier, the enhancements to the AMPA improve on what the producers already agree is an extremely useful business tool in their operations. The message we have heard from the industry is basically to keep the program but to improve in these areas.

That is what we have done and that reflects our commitment to listening to the concerns of those working in the industry, and attempting to address those concerns in a way that benefits all Canadians. The beauty of the cash-advance programs is that they empower producers to give them the financial flexibility during peak cash-flow demand periods during spring seeding and fall harvest. They help producers meet their obligations with their suppliers and, just as important on the marketing side, they help producers market what they want when it is most beneficial for them.

Honourable senators, farm financial programs must meet the needs for Canadian producers. Producers want programs that are easy to use and responsive to their needs. We believe that a fresh approach to the developing farm income programs is needed. That is why the government is committed to replacing the Canada Agricultural Income Stabilization program known as CAIS, which has not worked for the farmers as well as it should have, with a program that separates income stabilization and disaster relief. That is why the government has replaced the CAIS deposit requirement with a much more affordable fee and has changed the inventory valuation system, a measure that will put \$900 million into producers' pockets. The federal government is negotiating with the provinces and the territories to expand the eligibility criteria for negative margins. This is an area where one of the problems, mostly with the CAIS program, occurred. In some cases, farmers who needed the program the most did not get it.

Like those changes, the amendments we are proposing in this legislation provide a fresh approach and response to the current realities of agriculture. We are taking two good programs and making one even better — a program that will cut down on the paperwork and streamline the process for farmers.

[ Senator Gustafson ]

Most important of all, these amendments help ensure greater stability for most farm businesses across Canada. That is good news for not only farmers, honourable senators, but also for rural Canada and all Canadians. That is why I urge honourable senators to support these proposed amendments to the act.

I want to thank the Agriculture Committee for their support for this program. All senators on the committee can be very proud of their good work.

**Hon. Joyce Fairbairn:** Honourable senators, it is always tough to get up after my colleague Senator Gustafson has given chapter and verse of the condition of our farm community, of which he is a long-time and devoted member. Senator Gustafson and I have been on the Standing Senate Committee on Agriculture and Forestry for a very long time. He has served as a fine chair through many difficult periods and we are grateful for him doing that. Therefore, I stand after him somewhat humbled but, nonetheless, with a few words to say.

First, it is with a sense of relief that I am rising today in support of Bill C-15, which those of us on this side wish to see passed quickly into law so that our farmers can rely on an expansion of tools to help them through what many believe is the most frustrating and challenging farm crisis in our recent history.

In the past, we have looked to the 1930s, with its depression, combined with withering drought, as the historic footprint of challenge to this fundamental Canadian industry and all those who relied on it for their daily living. Today, the scene is different. While we have much enhanced technology and science to move our creative farming industry forward, other challenges have put it on the edge of what many fear is near disaster for its future.

• (1610)

We are no longer standing quite as tall as a lead country to be automatically counted upon here in Canada and around the world. The instrument known as the World Trade Organization simply is not working as its members hoped it would and could. That puts an enormous pressure on Canada, right down to the ground, where our farmers continue to support an industry that is fundamental to the physical and economic well-being of this nation. That, honourable senators, includes the farm families, which are at the very core of this industry, as well as the wonderful towns and communities in rural Canada, which are so important to the support of our big cities and the people who live in them.

This legislation speaks out to all of those thousands of farmers who have taken their trucks and tractors off the land and brought them to places like Parliament Hill, as they did several months ago on a bitterly cold day, in a desperate hope that their concerns would be felt and their words heard.

Some of those concerns are definitely reflected in this bill, which allows a process of direct cash support to benefit our producers and give them a lift right now and in the longer term ahead.

Bill C-15 builds on its predecessor, Bill C-69, which was introduced last October 27 by the then-Minister of Agriculture, Andy Mitchell. This was not just discovered now; it has been building and building and a path was made on which the new government has been able to walk.

Farmers are continually faced with the same challenges of nature: floods, droughts, insects, wind, and hail — one of the senators, perhaps Senator Gustafson, has referred to the hail that is known as the “white combine” that sweeps through Saskatchewan every year. These farmers are not immune to truly frightening outbreaks around the world coming to our borders: bovine spongiform encephalopathy, or BSE, with cattle; and the so-called avian flu virus, which crosses borders, carried by birds, infecting poultry here on our farms in Canada.

At the same time, we now face a giant challenge from governments of friendly countries in Europe and our great neighbour to the south, the United States, who are, on the one hand, in the business of trying to bring down world trading barriers while, on the other hand, removing pressures on their own farming industry with a degree of subsidization that Canada and many other countries simply cannot match. Meeting after meeting has failed. Senator Gustafson and I had the dubious pleasure of attending the meeting in Seattle, where we both were tear-gassed. These meetings have failed to produce an agreement that would offer a fair chance for agricultural trade throughout the world, especially for countries that desperately need to be part of that trade.

In an effort to streamline our system, this bill pulls the Advanced Payments Program and the Spring Credit Advance Program together into an overall new entity called the Agricultural Marketing Programs Act, which hopefully will ease some of the current challenges faced by producers.

In addition to the broad reach of grains and oilseeds, the bill covers livestock production and includes a greater variety of crops, such as blueberries and cranberries. The bill has the ability to add other agricultural products with the exception of supply-managed commodities. The overall limit of advances to the farmers will be increased from \$250,000 to \$400,000. Interest free advances may be increased from \$50,000 to \$100,000.

This bill is not perfect. We believe the government could have done a better job of providing producers with direct cash for this spring's planting when they needed assistance with seeding. The farmers will still have to pay loans through cash advances and, in the end, some may have to borrow more and increase their debt level to pay their bills. That is the reality of farming in this climate. At a time when total outstanding farm debt reached \$51 billion at the end of 2005, even with the benefit of this bill, some will be hard-pressed to take out loans and increase their debt level to meet expenses.

Our former government acknowledged difficulties in the ability of the Canadian Agricultural Stabilization Income program, known as CAIS, in getting help to the farmers when they needed it most. It, too, was looking for changes prior to the last election. It is encouraging to be standing here today with this bill before our Senate. Without question, the legislation will be welcomed in the farm community.

We hope the generosity of spirit flowing from the new minister Chuck Strahl, will continue to grow as our Parliament reaches out

to those in the industry who need it most. Yesterday Mr. Strahl was before our Standing Senate Committee on Agriculture and Forestry and strongly underlined his commitment to the farm community and all of those who support it across the country.

Honourable senators, this is a painful situation that faces our farm families. If there was ever an issue upon which we in Parliament can work together to continue to give this fundamental industry a fair chance, this, honourable senators, is it; and the sooner the better.

Senator Gustafson shared an anecdote with us, and I want to close with one. It involves a gentleman who was a great friend of many of us here on both sides of the chamber, and that was the late Honourable Alvin Hamilton. When I was a young girl, along with Marjory LeBreton in the early days of the 1960s, I was a journalist in the parliamentary press gallery, one of my favourite assignments. Coming from southwestern Alberta, I was always given the agricultural assignments. I thought I should meet the legendary Mr. Hamilton. He was a talker. I thought it would take 15 minutes. It was about two hours before I got out of his office, worn out. He told me about being minister and how tough and sometimes how horrible the pressures were, the climate, the trade, and the whole bit. I was so sorry for him by the end of it that I said, “Mr. Hamilton, how could you get through that as agriculture minister?” He said, “Well, Joyce, there comes a time when there is only one thing to do and that is to go in the fields and cry with them.” I have never forgotten that. Senator Gustafson has done that. I have done it frequently in recent years; and so today, with this bill, I hope we will get on with it. I hope the Senate can join in support of second reading of Bill C-15 and refer it to the Standing Senate Committee on Agriculture and Forestry today so that the committee can get on with the job.

• (1620)

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, I can not resist asking this question of Senator Fairbairn, given that she has revealed we were once young. In her long chats with the Honourable Mr. Hamilton, did she also receive the lecture on garbage to energy? He talked about the conversion of methane gas into energy. He was ahead of his time, given it was the 1960s.

**Senator Fairbairn:** I did indeed receive the lecture and I think without question he was proven correct.

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

**Hon. Senators:** Question!

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

Motion agreed to and bill read second time.

## REFERRED TO COMMITTEE

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

On motion of Senator Gustafson, Meighen, bill referred to the Standing Senate Committee on Agriculture and Forestry.

## CONSTITUTION ACT, 1867

BILL TO AMEND—SECOND READING—  
DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator LeBreton, P.C., seconded by the Honourable Senator Comeau, for the second reading of Bill S-4, to amend the Constitution Act, 1867 (Senate tenure).

**Hon. Pana Merchant:** Honourable senators, largely I will speak today with Liberal colleagues in this house and, by extension, with Liberal colleagues in the other place.

Bill S-4 was born in haste for political aims rather than for good governance. The bill is not born of substance. Yet, we have to address it and the politics of it as it affects the future of Canada. The Liberal Party is in the process of self-examination, change and renewal. It is internally absorbed.

[Translation]

Our party is absorbed in the important process of selecting a new leader, to make Parliament stronger and more meaningful to all Canadians. Many Liberals are absorbed in policies of the day, a minority government, a possible election at a time when our party is still without a leader. I might add that the Prime Minister seems to have one goal in mind: a majority government.

[English]

The minority Conservative government has sent us a “hairball” of Senate reform — a hastily conceived bill, the ramifications of which we cannot know.

Unable to act meaningfully, the government has chosen to tweak the tenure of senators with a change that is really no change. For honourable senators appointed since 1990, assuming death based on actuarial tables, the average tenure of colleagues over those 16 years has been and will be 11.2 years. This bill is nothing more than a change of 3.2 years. For those who say the Senate needs heart surgery, the government has offered a pedicure.

The first question in reducing terms from 11 years to 8 is whether this bill is really much ado about nothing. The second question is whether this bill will, in any event, pass in the other place. We do not know whether the opposition parties in the

House of Commons will support this change. Two of those parties propose that Canada no longer continue as a bicameral government.

[Translation]

Great Britain, France, Germany, Italy, India, Japan, Australia and the United States all have two-chamber parliaments.

[English]

Worldwide, 73 nations have bicameral governments: 16 in Asia, 17 in Africa, 17 in Europe and 20 in the Americas. All the G8 countries have two chambers, as do 17 of the 29 members of the Organisation for Economic Co-operation and Development, OECD. However, the NDP and the Bloc Québécois know better. Will they support the tweaking of an institution that they say should be abolished? Why did the Prime Minister send us this bill? It will not accomplish meaningful change, which would flow from proper consideration by both Houses and constitutional experts for change for the future. Ironically, pre-Confederation, Canada elected our senators and, at the same time, the United States appointed theirs. Both have changed. Changing how we get here is no panacea. I argue that Bill S-4 is simply change for change's sake. The Canada West Foundation has doubts about elected senators. Additionally, *The Beaver* wrote this month:

An elected upper house would be bad for Western Canada, bad for Canada, bad for democracy.

Real thought is needed, such as found in the paper *Challenges in Senate Reform* from the Fraser Institute. None of that has occurred. Honourable senators, Bill S-4 was created on the back of an envelope.

Some provinces will not call for, pay for or suffer the divisiveness of the process to elect senators. Are we asked to pass a bill which is, in any event, stillborn because it is unacceptable to some provinces? Will any two provinces adopt identical systems? Will an entire provincial electorate vote on all senators? Will provinces be required to establish constituencies? Will they coincide with, or combine, House of Commons constituencies?

If the requirement to retire at 75 still applies, would it apply if one were elected at 76? If elected at 76, would the new senator serve until 84? How do we create this mongrel house of some elected and some not elected; some serving until age 75; some elected at 76 and serving until 84; and some with an eight-year hook and others longer? The devil of Bill S-4 is in the details.

Honourable senators, within our caucus we have to approach Bill S-4 in relation not to where we are politically but with the future and the good of Canada in mind, whether or not that creates problems for the Liberal Party in 2006. In my fourth year in this house, I continue to stand in awe of the quality of the members of this chamber. I speak not of myself but of all honourable senators. With the greatest deference to the elected side of Parliament, the qualities of mind and capacity in this house are unsurpassed. The experience, the raw intelligence, the energy and the good work done by honourable senators is a credit to each of us and a credit to Canada.



Yet, it is almost entirely wasted because we so often put loyalty to party ahead of voting in accordance with our collective view of what is appropriate. It is almost entirely wasted because, as an institution, we do not deal with the other place in the way we should. When we do not press for what we believe, we lose the respect that the quality of our work merits.

• (1630)

We never say to the Prime Minister's Office and the cabinet that these views must be given the consideration they merit. We hesitate to say that they must be weighed appropriately. Our good ideas are often ignored because they take us for granted.

Why do they take us for granted? In large part, it is because we almost invariably vote along party lines and they have learned to expect it.

As recently as 40 years ago, senators did not even caucus as parties. We swore allegiance to Canada and the Queen; we did not swear allegiance to the party that appointed us. I am as guilty as the next person. Many of us see our loyalties primarily to the Prime Minister and the party that sent us here.

Honourable senators, as I address the political realities of our party, we should examine the government's motive behind Bill S-4. This bill was drafted by a Conservative minority government, not to deal with Senate change in substance, but to impose political pressures on the Liberal Party through our caucus in the Senate. We must rise above those pressures. We must not deal with this bill in relation to how it will affect the Liberal Party. We must not acquiesce to a silly, marginal and probably unconstitutional change that will never come into effect. We have to do the right thing and let the political consequences fall where they may.

We have to remember that changes in June of 1867 are still with us 139 years later, and that changes made by us in June of 2006 may still be with us in 2145.

The government can send a reference to the Supreme Court to determine the answer to hypothetical questions. As a Senate, we ought not to be dealing with this bill, which is basically a series of hypothetical questions.

Not knowing where the opposition parties stand in the Commons, this bill is a hypothetical question. Not knowing whether this change is constitutional, this bill is a hypothetical question. Not knowing whether it will enable someone elected at the age of 78 to sit until 86, this bill is a hypothetical question. Not knowing how this could possibly function when most of the provinces oppose Senate elections and each would run them differently, this bill is a hypothetical question.

Honourable senators, this ill- and hastily-conceived bill was sent to us as a hypothetical question for political reasons. If the Prime Minister will tweak the functioning of one of the Houses of Parliament on a political whim birthed in politics, we must not respond in politics and we must not respond in a two-week window.

I will be interested to know from the Conservative side answers to these many questions about an unworkable, unconstitutional, provincially unsupported tweaking.

Making the Senate more meaningful is a commendable aim. There is much we can do within this institution, and there is much we can do as individuals.

There are things to be considered holistically — elections, regionalization, perhaps as part of a package, even term limits. There are changes to consider within an appropriate structure, but Bill S-4, with simplistic answers to important and substantive questions, will not make the Senate more meaningful.

This is a bad bill based on less than noble motives. I do not advocate study because study cannot change ill to good. Rather, I advocate saying to the government, "We are with you; we want change. We are meaningful; we want to be more meaningful. Work with us for improvement. In the Senate, we, as a Liberal majority, will work with you. Do not play political games with us and we will not play political games with you."

Honourable senators, this is nothing more than a transparent political poison pill. This is not a good start, and we can do better.

On motion of Senator Fraser, for Senator Mitchell, debate adjourned.

## NATIONAL CAPITAL ACT

### BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Spivak, seconded by the Honourable Senator Segal, for the second reading of Bill S-210, to amend the National Capital Act (establishment and protection of Gatineau Park).—(*Honourable Senator Banks*)

**Hon. Tommy Banks:** Honourable senators, I wish to speak today to Bill S-210 for the purpose of proposing that we should, with the greatest alacrity, send this bill to committee for study.

This bill deals with a question, which is almost the definition of what is a park. Many Canadians have a view that parks — putting aside the one down at the end of the street with bushes and flowers in it and the kind that has a swing and slide in it, which is the favourite kind of Senator Grafstein — along the line of Gatineau Park imply something bigger and more important than that. They embody important aspects of our heritage, to say nothing of our environment, economy, wildlife and the preservation of parts of Canada in a close to pristine condition, allowing always for the enjoyment of those places by Canadians. Such an idea pervades our system of national parks, which is the envy of the world.

It happens that two of the larger parks are in the province in which I have the honour to live, Alberta, and the first national park was in Alberta. Since the creation of that park, national parks have been created all across the country. There is an understanding among Canadians that national parks are carefully husbanded, that we take great care in legislation and in administration to look after those parks to ensure they are preserved for their original purposes for the enjoyment of Canadians.

Gatineau Park, the subject of the present bill, is not a national park; it is a federal park. It is the only thing that is called a federal park in the country and, as such, it is a very poor cousin. It is not subject to the same kind of care, with respect to either its boundaries or the things that go on within its boundaries, to which national parks are subjected.

Since at least 1971, concerned citizens and environmental groups have agreed that Gatineau Park, in particular, needs some form of legal status, as well as protection from unsuitable encroachments, developments and sell-offs to which it has been subject from time to time. I think most Canadians would be unhappy to learn that those things have happened, but they have.

While the park's boundaries were originally set by an Order-in-Council in 1966, they were changed by a mere administrative fiat in 1988. It is a shame. Changes have since been approved from time to time that have changed the nature of properties within that park, have changed the boundaries of the park and, to this day, those changes are done behind closed doors.

• (1640)

Honourable senators, we must remember that changes to national parks, either additions to them or removals of land from them, require the approval of Parliament. They cannot be made without the approval of Parliament, but changes in and to Gatineau Park are done almost in private. This situation has allowed the National Capital Commission, within whose purview Gatineau Park presently exists, to change the boundaries without public consultation, let alone referral to Parliament, and without the review or knowledge or approval of those of us here in Parliament who are concerned about these things. As a result, several properties have been severed from the park and put up for sale. As a result of its 1997-98 rationalization exercise, the NCC has removed 48 properties, comprising 1,507 acres, from what was once Gatineau Park. These include 13 properties comprising 430 acres that have been sold, 13 properties comprising 430 acres transferred to the Quebec ministry of transport and six properties, or 436 acres, that have been offered to Chelsea. There are also 16 properties, or 296 acres, declared surplus — how parklands can be surplus is beyond my comprehension — and whose location the NCC will not even reveal since doing so will harm its negotiating position.

The National Capital Commission, in the Gatineau Park Master Plan (1990) makes three points. The first point concerns the legal status and boundaries of the park and the creation of a legal framework to allow the park to be better administered and protected. The second point deals with the creation of legal status for the park that would require the development of a program to acquire private properties, municipal roads and all other similar assets. The third point concerns the benefits of creating a legal status for the park. That status would make official the park's role and its status among other Canadian heritage land holdings.

That is correct, but the National Capital Commission has failed to act on any of those three recommendations or to bring into effect any of those three points.

The public interest, and not only the interests of people who live in Gatineau or in or around the national capital but the interest of all people of Canada, demands action on this issue. This is a park in which every Canadian has an interest. It is a park that is

attendant to the National Capital Region, honourable senators. This bill seeks to do exactly what the National Capital Commission said in 1990 ought to happen. The NCC has failed to establish the boundaries of the park and establish the means by which and the circumstances in which the National Capital Commission may deal with, treat with, transfer, develop, sell, divest itself of or otherwise do business having to do with the land that is presently contained within Gatineau Park.

A simpler solution would be to declare it a national park, and maybe some day that would be a good idea. In the meantime, it would be a very good idea if this bill were given careful consideration by the committee to which it will be sent and if the recommendations of that committee were brought back to this house. This is a matter of national and very long lasting importance, honourable senators. I recommend we vote as soon as we possibly can to send this bill for study.

On motion of Senator Fraser, for Senator De Bané, debate adjourned.

## FOOD AND DRUGS ACT

### BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Grafstein, seconded by the Honourable Senator Callbeck, for the second reading of Bill S-205, to amend the Food and Drugs Act (clean drinking water).—(*Honourable Senator Comeau*).

**Hon. Ethel Cochrane:** Honourable senators, it is my pleasure to rise today to speak at second reading of Bill S-205, an act to amend the Food and Drugs Act (clean drinking water), introduced by Senator Grafstein.

As Senator Grafstein has made clear, this is not the first time senators have debated the content of this bill. Indeed, Bill S-18 was introduced by Senator Grafstein in February of 2001. The bill died on the Order Paper in 2002. Bill S-42 was introduced in the Thirty-eighth Parliament and died on the Order Paper after Parliament was dissolved last November. Bill S-205 is identical to Bill S-18 and Bill S-42 introduced in the Thirty-seventh and Thirty-eighth Parliament.

At the outset, I wish to state that I share Senator Grafstein's view on the importance of safe drinking water. I also commend the senator on recognizing that achieving the subject means more than having drinking water standards, but that we must ensure also that our sources of drinking water — lakes, rivers, aquifers — are protected from pollution.

The question, I believe, is whether we need to establish a federal regulatory regime to protect drinking water as proposed in Bill S-205, or do we achieve more effective safeguards by building and supporting the current collaborative approach in which provinces and territories exercise primary responsibility for drinking water?

The federal government has a distinct role in conducting the science required to develop guidelines, which are used by provinces and territories as a basis for establishing their own regulatory requirements. This approach ensures national consistency. At the same time, however, it also avoids unnecessary duplication and acknowledges the regional and local priorities that can best be addressed at the provincial and territorial level.

In short, honourable senators, I believe that Bill S-205, while well intentioned, would simply add another layer of bureaucracy to the management of water and would essentially cause the federal government to step into an area of provincial jurisdiction. It would not provide a system that is more protective of human health than what we have today and which we are jointly building with our provincial and territorial partners for the future.

Honourable senators, the Walkerton tragedy was a wakeup call for all orders of government, which have perhaps become complacent about the safety of drinking water. I do not need to remind honourable senators that this same bill was first introduced in 2001 largely in response to the Walkerton tragedy.

Were Walkerton and North Battleford indications of systemic failures in our drinking management regime or isolated incidents that turned into tragedies? I believe these incidents were a clear warning that without action, incidents like this one are going to increase. Justice O'Connor, who led the Walkerton inquiry, made his point clear. He said,

The Walkerton experience warns us that we may have become victims of our own success, taking for granted our drinking water safety. The keynote in the future should be vigilance.

• (1650)

All orders of government recognize the importance of Justice O'Connor's findings and have acted to put in place the safeguards that Bill S-205 would merely duplicate. This has been achieved under the existing federal-provincial-territorial approach which respects jurisdiction and takes into account local and regional priorities and capacity.

Indeed, since 2001 all provincial and territorial governments have strengthened their legislative, regulatory or policy regimes to protect their drinking water. These actions by federal, provincial and territorial governments have not been limited to drinking water quality standards. As we learned following the inquiries after the Walkerton and North Battleford incidents, drinking water standards by themselves do not ensure the safety of drinking water. Governments, both nationally and internationally, are now adopting multi-barrier approaches for protecting drinking water quality.

Honourable senators, source-of-water protection is an important first step in the multi-barrier approach. To achieve this, federal, provincial and territorial governments are adopting watershed-based approaches to prevent pollution of source waters, a key recommendation of the Walkerton inquiry. Today, land use decisions and policies are being made with a view to ensuring the protection of the rivers, lakes and aquifers that serve as sources of drinking water.

There are many good examples of these new approaches, including Ontario's development of source-water protection plans and Quebec and Alberta's watershed management protection strategies. An important distinction needs to be made between what provinces and territories are doing and what Bill S-250 proposes, as well as what is proposed in Senator Grafstein's Bill S-208 which deals with the creation of an agency to oversee protection of watersheds.

Decisions on watershed and source-water protection should not be taken essentially in Ottawa. These are decisions that need to be made by communities and stakeholders locally and overseen and supported by their provincial and territorial governments. People in the area of the watershed are best equipped to understand the battles between environmental, economic and health priorities and to take the decisions that ensure their well-being, taking a population-based approach to best protect their health.

The federal government certainly has a role. The government is a major player in these watershed approaches and leads or participates in a number of programs. These include the action plans for the protection of the Great Lakes and the St. Lawrence River ecosystems, federal contaminated sites clean-up programs and regulation of pollutants under the Canadian Environmental Protection Act.

In addition, innovative federal programs such as the Agriculture Policy Framework have been designed and implemented to ensure that environmental protection and health concerns are an integral factor in planning for the sustainability of our farming sector.

The multi-barrier approach means more than source-water protection. Other key components include effective treatment and maintenance of water quality and the distribution system, including regular testing.

I was surprised to hear today that Ottawa tests its water every single morning. That is great.

Further key components include operator training and infrastructure renewal as well as a scientifically-based set of guidelines to use as enforceable standards for the protection of drinking water from environmental and other contaminants.

Over the past few years, all governments have been developing programs, best management practices and regulations to implement these objectives.

Honourable senators, we are turning the corner on Walkerton, North Battleford and Kashechewan by working collaboratively with our provincial, territorial and Aboriginal partners to put more rigorous measures in place to ensure the safety of drinking water. We have done this without raising significant issues of constitutional authority or the significant costs of an enhanced federal role in inspection and enforcement that would overlay existing provincial and territorial regimes.

This cannot be said for Bill S-250, which, leaving aside its potential constitutional ramifications, would raise questions on how it can be put into practice. Together with Bill S-208, it would bring federal oversight to watershed management and land use

decisions that could impact source-water quality. Where would provincial authority to make decisions end and federal authority begin? The bottom line is that provinces and territories are already implementing these approaches.

Honourable senators, Bill S-205 simply duplicates the work that has already been accomplished through cooperation by all levels of government. Rather than establishing a federal regulatory regime for drinking water, as proposed in Bill S-250, we should continue to work with the provinces, the territories and our Aboriginal partners within the current water management regime to address drinking water quality priorities for all Canadians.

**The Hon. the Speaker *pro tempore*:** Senator Cochrane, will you accept a question?

**Senator Cochrane:** Yes.

**Hon. Tommy Banks:** Honourable senators, again, I am hopeful that this bill will be sent to the committee of which Senator Cochrane and I are both members. However, I believe that the distinction to which Senator Cochrane referred is clearly made in this bill and in the matter with which it deals. The management of water as a consumable is not all that clearly within the exclusive purview of provinces, because it is a consumable. It is clear that in Canada we have national enforcement of regulations for the safety of the Canadian public to ensure, for example, that a manufacturer of a consumable of any kind cannot move to a jurisdiction in Canada that has less strict control over the safety and health aspects of what it is putting into a can, a bottle or a pipeline in order to escape higher standards.

With respect to every other consumable that we eat — corn flakes, chocolate bars, beef, corn, bread — Canada has said that we need nationally enforced national standards in order to ensure that things do not escape to the vacuum of a less strict regime. This is judged to be in the best interests of Canadians. That is true of bubble gum, Coca-Cola, popcorn, bottled water and packaged ice. Those things are all subject to federal food and drug law, control, regulations and enforcement. The result is that Canadians have good reason to assume that the things they put into their mouths to consume will probably not make them sick.

The only thing we consume on a daily basis that is not presently subject to the provisions of the food and drug controls that exist in this country is the one thing without which we cannot live. It seems absurd that we nationally control bubble gum and bottled water and have sanctions to deal with people who improperly deal with the safety aspects of those consumables while the one consumable that we do not control within the purview of the Food and Drugs Act is the one thing without which human beings cannot live — water.

• (1700)

I wonder whether Senator Cochrane agrees with me.

**Senator Cochrane:** I wish to thank the honourable senator for his speech; it was wonderful. However, you and I know that Walkerton was the wakeup call for all of us when it came to

drinking water and the safety of drinking water. The federal government must do the scientific work and it has done the scientific work. I do not want to go forward and walk on boundaries because the provinces have their own water supply and they take care of protecting their water supply. They have various qualified people to look after their own water supply. Each little community — and, God knows, there are many of them in Canada — has its expertise. Being on the federal side, I do not think we should walk on their jurisdiction. We will deal this subject in our committee quite adequately, I am sure.

**The Hon. the Speaker *pro tempore*:** Senator Cochrane's time has expired. However, Senator Banks may have one more question.

**Senator Banks:** This is a hypothetical question, but it refers to what Senator Cochrane talked about. A hypothetical answer will do very nicely. If the problem of health of a consumable causing danger and harm to the health of Canadians had arrived in, for example, beef, chicken or fish; and if that commodity had not at the time been under the purview of the Food and Drugs Act, would the honourable senator not agree that it should be made so in order that the purveyors of that fish, beef or soft drink could not move to another place to avoid the strictures and controls? The only way that can be achieved is with a national program with national aspects of enforcement.

**Senator Cochrane:** The honourable senator has asked a hypothetical question. The hypothetical question will be answered in committee.

On motion of Senator Keon, debate adjourned.

## THE SENATE

### MOTION TO IMPLORE PRESIDENT OF RUSSIA TO ASSIST IN LOCATING RAOUL WALLENBERG— ADOPTED

On the Order:

Resuming debate on the motion of the Honourable Senator Di Nino, seconded by the Honourable Senator Meighen:

That the Senate of Canada implore President Vladimir Putin, President of Russia, to use his good office to shed light on the whereabouts of Raoul Wallenberg, the Swedish diplomat who was responsible for saving the lives of thousands of people from the Nazi death camps. Mr. Wallenberg was allegedly seized by the Soviet Army on January 17, 1945 and has not been seen or heard from since.—(*Honourable Senator Cools*)

**Hon. Consiglio Di Nino:** Honourable senators, I have had a chat with my colleague Senator Cools and she has asked me to make a representation about this issue. She was concerned about the appropriateness of the Senate in effect, as I suggest in my motion, imploring the Russian president to assist. She felt that it was not an appropriate thing and we probably did not have a —

[ Senator Cochrane ]

**The Hon. the Speaker *pro tempore*:** Honourable Senator Di Nino, this is your motion. Are you closing the debate? If you speak now, you are closing the debate.

**Senator Di Nino:** Your honour, I am seeking guidance. Senator Cools said that if I were to make what she calls a friendly amendment, she would not have an objection and I could then close the debate on my motion. I am prepared to do that, if that is appropriate. Senator Cools is not here, but she did ask me to make that request.

**The Hon. the Speaker *pro tempore*:** Before I let the honourable senator close the debate, are there any other honourable senators who wish to speak on this question? If not, I will acknowledge Senator Di Nino at this time.

#### MOTION MODIFIED

**Hon. Consiglio Di Nino:** Honourable senators, the friendly amendment replaces the word “implore” with the following words: “support the effort of International Raoul Wallenberg Foundation regarding their request to...” It would then continue: “...President Vladimir Putin”, and so on. From my perspective, it still respects the principle and the intent and does not change materially what I had intended to do. Therefore, I would ask permission to make that amendment. We could then vote on the motion that I have on the Order Paper.

**The Hon. the Speaker *pro tempore*:** Senator Di Nino is asking for leave. According to our rule 30, a senator who has made a motion or presented an inquiry may withdraw or modify the same by leave of the Senate. Senator Di Nino wishes to modify his motion, so he needs leave. Is leave granted, honourable senators?

**Hon. Senators:** Agreed.

**Senator Di Nino:** Honourable senators, I will repeat the amendment. On the motion, where it says, “That the Senate of Canada implore...”, we will replace the word “implore” with the words: “...support the effort of the International Raoul Wallenberg Foundation regarding their request to...” and then it would continue on “...President Vladimir Putin...” and so on.

**The Hon. the Speaker *pro tempore*:** Would you repeat that, Senator Di Nino?

**Senator Di Nino:** Yes, I will repeat it. After “...the Senate of Canada...”, replace the word “implore” with the following words: “support the effort of the International Raoul Wallenberg Foundation regarding their request to...” and then it would continue from there.

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

**Hon. Senators:** Agreed.

Motion agreed to, as modified.

[*Translation*]

#### THE SENATE

#### MOTION TO ACCOMMODATE SENATORS SPEAKING ANCESTRAL LANGUAGES—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Corbin, seconded by the Honourable Senator Bryden,

That the Senate should recognize the inalienable right of the first residents of the land now known as Canada to use their ancestral language to communicate for any purpose; and

That, to facilitate the expression of this right, the Senate should immediately take the necessary administrative and technical measures so that senators wishing to use their ancestral language may do so.

**Hon. Madeleine Plamondon:** Honourable senators, I would like to say a few words on the inalienable right of the first residents of the land now known as Canada to use their ancestral language to communicate for any purpose.

I have always shown my support for Senator Adams' and Senator Watt's requests. Because the election was called, we were not able to follow up on those requests. I have often expressed my opinion on this matter. I believe it is important — since it is a question of breaking down boundaries — to prevent the creation of solitudes within the Senate, but above all, this would constitute a democratic step forward.

A senator's functions and responsibilities are important and require active participation in debates. Senators must be able to participate fully and completely. With all of the technology available to us today, it is rather surprising that we are even wondering if someone can be authorized to speak in their own language. There is no doubt that it is easier to express oneself more clearly and more completely in one's mother tongue than in another language. We must facilitate this practice here. It is not a privilege to be granted; it is the recognition of everyone's right to speak, a sign of respect, and a privilege for listeners to hear our colleagues' thoughts, ideas and opinions. The argument of the cost involved does not hold up. Based on what we have heard, it could cost \$1 million, which is 1.2 per cent of the Senate budget.

Senator Corbin's proposal is worth much more than that. It is a message of openness and cultural rapprochement. The proposal is reasonable and makes good sense. We should not wait to find a solution that would apply to all Aboriginal languages. The idea here is to make it easier for our colleagues to use their mother tongue, Inuktitut, to express their arguments, ideas and thoughts. In so doing, we are giving everyone the privilege of understanding another culture better and benefiting from it.

Let us take this first constructive step in order to enable everyone to participate fully.

On motion of Senator Comeau, debate adjourned.

• (1710)

## POST-SECONDARY EDUCATION

### INQUIRY—DEBATE ADJOURNED

**Hon. Claudette Tardif** rose pursuant to notice of May 31, 2006:

That she will call the attention of the Senate to questions concerning post-secondary education in Canada.

She said: Honourable senators, a year ago I introduced my first inquiry on the state of post-secondary education in Canada. As I have stated before, post-secondary education is a public policy issue critical to the future success of Canada and, therefore, deserves specific direction and support. Earlier this year, Canada's premiers, along with experts from every sector of the Canadian post-secondary education system, gathered in Ottawa for a Council of the Federation Summit on Post-Secondary Education and Skills Training.

As Premier Charest noted, it was the first time in the history of Canada that the provincial premiers and territorial leaders called together any such meeting.

It has been stated ad nauseam, but probably bears repeating, that in the 21st century a highly educated populace is a country's ultimate resource. In an increasingly globalized and interdependent knowledge-based economy, it is the countries and nations who awake and respond most quickly to this reality that will reap its economic and social rewards.

It is my belief that, despite the acknowledged importance of post-secondary education to the economic and social success of Canadians, we, as governors and policy-makers have failed in providing it with the focus, direction and support it deserves.

We must move now, honourable senators — swiftly, efficiently and intelligently — and end the stagnation and stalemate looming around this important public policy issue.

[English]

Recently, while still serving as Canada's Executive Director to the International Monetary Fund in Washington, Mr. Kevin Lynch who is now the Clerk of the Privy Council and Secretary to the Cabinet, wrote a paper outlining the three most critical policy challenges and opportunities facing Canada. The paper was published in the April-May issue of *Policy Options*, the public policy magazine of the esteemed Institute for Research on Public Policy. My honourable colleague Senator Segal can surely attest to the institute's high quality.

Of particular interest to this inquiry today, Mr. Lynch declares in his paper that "increasing Canadian productivity growth" and "improving our human capital through education and training" are important public policy challenges facing Canada today. In fact, they are intertwined, as education and skills training lead to a more efficient and effective workforce, and also lead to productivity advances through the commercialization of ideas and innovations.

While Canada has done well on both the productivity and human capital fronts, it continues to lag in comparison to most of its comparable trading partners and comparable nations, especially the United States. There is a productivity gap in Canada, and it continues to widen. Canada's gross expenditure and research and development as a share of GDP is below most G8 countries and below the OECD average of 2.3 per cent. We are at 2 per cent. According to OECD numbers, Canada's private sector research and development as a percentage of industry value added is the lowest in the G7. Public sector funding of research and development has increased, but commercialization of that research is inadequate as compared to the United States.

Canada has a post-secondary education attainment rate of 44 per cent, which at first glance seems significant, but pales when it is contrasted with what nations such as the United States, China and India strive to achieve. It is also inadequate considering that such a large and growing segment of our population — Aboriginal Canadians — are being left out of the fold. We also are behind in educating graduate students in this country. Our goal should be to have 25 per cent of university spaces in Canada filled by graduate students, which will align us with other global competitors such as the United States. Instead, our numbers are around 18 per cent.

There are many reasons why a post-secondary education is important, not the least of which is the personal reward and fulfillment that it provides to the recipient. But here is another reason, as stated by Mr. Lynch, Clerk of the Privy Council:

OECD estimates suggest that adding one year to the average educational attainment in a country can increase its GDP per capita by 5 percent.

That percentage is staggering, honourable senators, one unlikely to be achieved through any other productivity driver.

Kevin Lynch, Anne Golden, President and CEO of the Conference Board of Canada, and Janice MacKinnon, Vice-Chair of the Institute for Research on Public Policy, IRPP, Professor of Public Policy at the University of Saskatchewan, and former Minister of Finance in the Romanow government, all single out Canada's research and development, commercialization and post-secondary attainment rate deficiencies. They also identify two preconditions for future success on these files: speed and a national strategy.

If Canada wishes to remain a significant competitor in the global economy, it must move quickly in implementing public policy aimed at increasing our productivity and post-secondary attainment rates. Radically accelerated advances in technology have levelled the playing field, meaning that anyone anywhere in the world can achieve financial and social success without having to leave their country, no matter what the restrictions of local realities. Countries that make investments and advances in the education of their population, as well as the commercialization of their ideas, dominate the global market. The world is in flux, honourable senators. New paradigms are being created. The race is on, and we do not have the luxury to sit it out. If Canadians want our current standard of living to be maintained and if we want it to grow for our children and grandchildren, then we must take action immediately. We certainly will not recognize it now

but, in hindsight, waiting for one year or more might be the difference between Canada being a global player and a global pretender.

• (1720)

As Anne Golden asserts, “regional parochialism is the ‘elephant in the room’” when it comes to addressing issues surrounding post-secondary education, as it is with so many other public policy issues in Canada. Questions of jurisdiction, responsibility, funding appropriations and addressing whether the fiscal imbalances between the federal government and the provinces abound often hinder real progress. Yet, it would be unfortunate, if not disastrous, for the current model of shared responsibility to be modified without first having mechanisms put in place to ensure that significant levels of funding for post-secondary education are maintained throughout the country.

[Translation]

It is my belief that abandonment by any federal government of its shared responsibilities in the area of post-secondary education should be met with resistance and protest. *Restoring Fiscal Balance in Canada* asserts that:

Federal and provincial-territorial governments must continue to work together on these shared priorities to ensure that Canadians have affordable, accessible and high-quality post-secondary education and training that is responsive to the needs of the labour market and supports an innovative economy through a world-class research capacity.

To quote Golden:

We need national leadership and genuine inter-governmental collaboration to address these pan-Canadian issues.

In the 2006 federal budget, the government made the following commitment:

...the Minister of Industry will be developing a science and technology strategy, in collaboration with the Minister of Finance, that will encompass the broad range of government support for research, including knowledge infrastructure.

I believe it is important that, in formulating this plan, several things must be accomplished. The first is that the strategy must establish tangible goals and deadlines. We must determine where we would like to be as a country in terms of productivity, as well as undergraduate, graduate and post-doctoral completion rates.

Do we wish to be a leader in these areas and, if so, how much more funding and support must be given to achieve that end?

Also, the consultation process must be transparent and collaborative, allowing experts and leaders from across the country and even abroad to provide feedback. And finally, again, I must stress the need for urgency in the development of this plan. The government has indicated that it will develop the strategy “over the next year.” I would urge that it accelerate that process.

[English]

I also wish to take the opportunity to suggest that the Senate focus on post-secondary education and to consider in the near future establishing a Senate subcommittee to explore some of these issues in greater depth. I am eager to collaborate with any and all policy-makers who are determined to undertake such a venture.

As I have stated many times before, the time has come for the Prime Minister of Canada to call a first ministers’ meeting on post-secondary education and skills training. This is yet another way that the provinces, territories and federal government can engage in dialogue and set forth a collaborative, positive plan of action. The first ministers have repeatedly met on another issue with joint responsibility — health care. Therefore, there is no reason why a meeting on the issue of post-secondary education could not occur as well.

In her paper in *Policy Options*, Janice MacKinnon states:

Just as railways, canals and roads provided the main arteries for economic development in the 19th and 20th centuries, laboratories, synchrotrons and other research infrastructure are the foundations for economic developments in the 21st century.

Ideas are our world’s greatest commodity in today’s global economy. Seeing matters in this light, it becomes easier to understand not only why we must begin to invest now, but also why all levels of government must be involved. If we wish to keep up with other nations of the world that are rapidly educating their citizens and building their maps of tomorrow, we must employ every ounce of our labour in this cause. We must embrace the knowledge frontier with the same courage, fortitude and entrepreneurial spirit that emboldened the founders of this grand experiment called Canada and to do so with the goal of camaraderie and community that first united us as a people.

On motion of Senator Segal, debate adjourned.

[Translation]

#### AGREEMENTS BETWEEN FEDERAL GOVERNMENT AND PROVINCES AND TERRITORIES ON CHILD CARE

INQUIRY—DEBATE ADJOURNED

**Hon. Marilyn Trenholme Counsell** rose pursuant to notice of June 7, 2006:

That she will call the attention of the Senate to concerns regarding the agreements in principle signed by the Government of Canada and the provincial governments between April 29, 2005 and November 25, 2005, entitled, “Moving Forward on Early Learning and Child Care,” as well as the funding agreements with Ontario, Manitoba and Quebec, and the agreements in principle prepared for Yukon, Northwest Territories and Nunavut.

She said: Honourable senators, it is a privilege for me to open the debate on this motion which affects children, their families and our responsibility, as Canadians, concerning early learning and child care, more particularly as regards the agreements in principle between the federal government and the provinces and territories, and the situation as of June 2006.

It is absolutely unacceptable and unfortunate that some individuals, including members of the Liberal Party, attempted, in press releases, to dismiss the agreements in principle by describing them as a deathbed repentance and the like. That is not fair. It is not right.

We will recall that the debate on this issue started when the Right Honourable Jean Chrétien proposed a national child care program, a program that was announced in the famous 1993 red book, at pages 38 and 40. "A deathbed repentance, not at all!"

Ten years later, in December 2003, in his maiden speech as the newly elected leader of the Liberal Party of Canada, the Right Honourable Paul Martin pledged that early childhood development would be a priority for his new government.

In the Speech from the Throne on October 5, 2004, this priority was developed:

Parents must have real choices; children must have real opportunities to learn. The time has come for a truly national system of early learning and child care, a system based on... quality, universality, accessibility and development.

Let us look back at 1993. Why did the Chrétien government plan fail? As the Minister of State for Family and Community Services from 1994 to 1997, I attended a provincial meeting in Victoria. One of the items on the agenda was the Chrétien government plan to advance the issue of child care and the federal government's desire to share the costs fairly and equitably among the provinces.

It is unfortunate that the funding agreement proposed by the Chrétien government became the stumbling block to the negotiations between the provinces. Unfortunately, the provinces do not wish to share the costs of this new social program.

• (1730)

Honourable senators, can you imagine that the honourable Stockwell Day, as chair of this conference, promoted Prime Minister Chrétien's objective of quality child care in order to offer a real choice to parents. It is a commitment of the Liberal Party of Canada to early learning and child care, not "a deathbed repentance" or a press release.

Honourable senators, I sincerely believe there are still people from every political party today who truly want to have quality child care and want early childhood development to be one of Canada's essential priorities.

I think you share my passion and that most of us continue to share a vision of a country where every child from the earliest age can have the best possible opportunities whether at home or in the community. This debate is alive throughout Canada.

[ Senator Trenholme Counsell ]

[English]

In the announcement of this inquiry, I referred to the agreements in principle negotiated by the Honourable Ken Dryden with his provincial colleagues. I will read excerpts from each of our 10 provinces.

On April 29, 2005, Saskatchewan and Manitoba were first, moving forward on early learning and child care. Again, the guiding principles in every province were quality, universal inclusiveness, accessibility and development. Premier Calvert said it so well:

Our vision is to ensure that all Saskatchewan children enjoy a good start in life, and are nurtured and supported by caring families and communities ... by supporting innovative programming that integrates early learning and child care with community and school-based programs and services.

Premier Calvert compared this agreement to Medicare.

From that small beginning in Saskatchewan, a system has developed that is part of the fabric of Canadian society, and is at the heart of social policy.

That same day, Premier Doer said:

We are pleased that the federal government has followed through on this important commitment ... Today's agreement will help us continue to build Manitoba's child care and early childhood development system, which is one of the best in the country.

On May 13, 2005, Premier Danny Williams signed an agreement for his province and said:

Making sure that our youngest citizens get the best start in life is one of the most important priorities for parents and families in our province.... to ensure children and families have access to a quality early learning and child care system, and that early child care educators and providers receive the training and supports they need.

Premier Williams recognized that the good people who care for children outside the home would have a greater hope for their betterment in a career that too often and for too long has been overlooked professionally.

Three days later in Nova Scotia, May 16, Premier John Hamm said:

Our future belongs to our children, and this Agreement in Principle will help us better support them in the years to come.

The plan in Nova Scotia included operational grants, revised eligibility for subsidized spaces and improved retention and training supports for early childhood educators and child care educators.

Premier Hamm was speaking about more than spaces. He was speaking about real vision for real challenges.



In Alberta, on July 7, 2005, Heather Forsyth, Minister of Children's Services, said:

From the beginning, we have focussed on getting to what Albertans told us they wanted for child care, which was choice... We look forward to continuing to build on a wide range of programs, recognizing that parents should have options and choices in caring for their children.

It was Alberta's intention to establish links between home and communities, affirming that parents and families have the primary responsibility for the care and nurturing of their children, and recognizing that early learning and child care is a provincial responsibility.

Next, in British Columbia, on September 29, 2005, Premier Gordon Campbell said:

We want to ensure that B.C. families have access to a sustainable, flexible, and affordable early learning and child care system that will ensure B.C. children get the support they need to thrive and succeed. The agreement... will help parents balance the demands of work and family, and assist child care providers with new funding. It is a critical step in achieving our goal...

Quebec, October 28, 2005: a funding agreement — not an agreement in principle — was signed.

[*Translation*]

... Canada's goals are very similar to those already pursued by Quebec in its system of educational child care.

This first Government of Canada funding agreement on early learning and child care was acclaimed as a historic event.

[*English*]

Quebec's Minister of Families, Seniors and the Status of Women, the Honourable Carole Th  berge said:

We are pleased that the federal government recognizes that Quebec is a leader in child care... It will give us great pleasure to share the expertise we have acquired over the past few years with our colleagues of other provinces.

Honourable senators, this agreement was a great Canadian moment, one of sharing, of vision and of hope. Is all of this lost? I believe it is not because I believe that one day we will join hands again from coast to coast on behalf of families and their children. A few dollars a week, our daycare spaces without vision, will never replace this great Canadian dream. It will rise again.

After Quebec, Prince Edward Island and New Brunswick signed on the same day — November 24, 2005 — why did it take so long? I cannot answer for P.E.I., but I do know that Premier Lord insisted upon enough flexibility to allow money to go to rural areas.

PEI's Minister of Health, Social Services and Seniors, the Honourable Chester Gillan said:

Today's announcement is good news for children and their families, as well as for future generations of Island children.

P.E.I.'s plan was to enhance the child care subsidy rate, increase direct funding to operators, provide infant incentive grants and provide the capacity of early learning centres to include children with unique needs.

Colleagues, this agreement is so much more than daycare spaces. Speaking for Premier Lord, the Honourable Joan McAlpine-Stiles said:

We now have the flexibility to develop a made-in-New Brunswick plan that will continue to build on the foundation of a strong child care sector involving more services for rural New Brunswick and for families who currently do not benefit from our early learning and child care.

Finally, in Ontario on November 25, the Honourable Marianne Chambers, Minister of Children and Youth Services, said:

This is great news for Ontario families. This is part of our government's best start plan to help Ontario children arrive in grade one ready to succeed.

Agreements in principle for the Yukon, Northwest Territories and Nunavut were prepared but were unsigned at the time of the election call. However, federal funding was allocated for one year. For our northern families especially, we must hope that this setback is merely a pause in Canada's quest for the best start for each of our children.

Honourable senators, I have the proposed funding for every province and territory. Funding agreements were signed only between the federal government and Quebec, Ontario and Manitoba. In all the other provinces, time ran out before complete action plans could be developed and budgetary allocations could be finalized.

Today, the Government of Canada is saying no to all of this, with the exception of an ongoing commitment to Quebec. Prime Minister Harper admitted in the House on April 5, 2006, that the existing program will end next year.

Canadians are left with a promise for 125,000 child care spaces — no reference to quality, no money for operating costs or staffing, no educational opportunities for staff, and no financial assurances toward a greater value attached to the precious work they do. There will be no community programs to allow all parents to become empowered through acquisition of early childhood development knowledge and principles. There will be no focus on preparing children for school.

Parents will be on their own with a few extra dollars in their pockets, not even enough for one day each week in a quality child care centre. Those who make the most money will be the winners in this Conservative plan — very conservative but certainly not very progressive.

Words change before and after elections. Speaking to reporters in Calgary on April 29, 2005, Stephen Harper said he would honour any deal made by the Liberals if his party won the next election, but would still press ahead with his own child care plans.

Now, Conservative government officials have reached out to a coalition of socially conservative lobby groups in an effort to help sway public opinion in the coming battle over the Tory daycare deal. And more press:

Rural child care experts pan Conservatives' plan

The highly respected Vanier Institute for the Family has had its own data misconstrued by proponents of the Conservative plan. And just today, in the *Moncton Times & Transcript*:

Child care debate lively

and this quotation:

The cute moppets in child care could damage the federal Conservative government.

• (1740)

The head of the Canadian Federation of Independent Business, Catherine Swift, says that Conservative plans to lure employers into the child care game will fall flat. In response, Minister Finlay said: "But perhaps the owner of a strip mall who has several tenants who each have several employees, maybe the owner of that strip mall wants to get together with these businesses and create spaces."

[*Translation*]

That is not a vision for Canada!

Honourable senators, I do not think it is too late to look at the possibility of achieving our two visions: first, a direct contribution to families, and, second, a national system of quality child care with programs that promote early childhood development, for all parents in Canada.

To my colleagues on the government side I would like to say that it is possible to convince the Prime Minister to abandon his intention to cancel the agreements in principle with the provinces.

In my heart I believe that many members of the Conservative Party want the same thing for all children in Canada. We agree that parents have the greatest responsibility for their children. We want to offer every parent the best support so that they can be a good parent, the best possible parent.

In Canada, the reality is that 84 per cent of parents work either in or outside of the home to provide their families with the bare necessities and to achieve their goals and dreams as individuals.

Seventy per cent of women with preschool-aged children belong to the paid workforce. For most of these parents, the only choice is a paycheck at the end of the week.

[*English*]

We can offer the parents of Canada a hand in so many ways. A handout of \$100 a month is not enough, as helpful as it may be in the short term for some parents. Canada in the 21st century is ahead of most countries with respect to our economy. At the same

[ Senator Trenholme Counsell ]

time, we have been given a low rating compared to other OECD countries when it comes to early childhood care. Apart from Quebec, participation rates for children aged three to six years do not reach a quarter of those of the main European countries.

Honourable senators, the commitment of the Liberal Party of Canada to childcare and early childhood development began in 1993. It has not been an easy journey. However, it was never a death bed repentance. In 2006, again there is a roadblock. There are two visions of how to empower parents, how to ensure all families have choices and how to apply the fundamental principles of learning, early learning and child care. Yet, I am optimistic that a continuing dialogue will find common ground. Canada is a country where family homes are the cradles of the nation, yet our parents should feel confident that when they must seek child care outside the home, or when they choose to do so, the interests of society will provide quality care.

**The Hon. the Speaker:** I regret to advise that the honourable senator's time has expired. Does she seek the consent of the house for two more minutes?

**Senator Comeau:** She can have five.

**The Hon. the Speaker:** Is it agreed?

**Hon. Senators:** Agreed.

**Senator Trenholme Counsell:** Thank you, honourable senators.

Above all, Canada must accept the challenge to meet and surpass other nations in advancing early childhood development as public policy, with an eye to our individual and collective future, our social future and our economic future in a caring and progressive society.

Honourable senators, my hope for a response to this inquiry rests with all of you. Let us put all children ahead of any political bias we may have. Let us look inward and outward so that, one step at a time, like an infant, we can push forward to allow the girls and boys of Canada to reach their potential, to allow parents to make their very own choices and to allow Canada to become stronger, more vibrant and more just. There can be no greater investment than that for our children. Thank you for your attention.

**Hon. Lowell Murray:** The deputy leader of the government kindly agreed to a five-minute extension for Senator Trenholme Counsell. She has not used nearly that much time, so perhaps she might accept a question.

**Senator Trenholme Counsell:** Certainly.

**Senator Murray:** Does the honourable senator happen to know the position of the present government of New Brunswick with regard to the decision of the federal government to abrogate, as it had a legal right to do, the agreement in principle that the two governments signed on November 24, 2005?

**Senator Trenholme Counsell:** I thank the honourable senator for his question. I have great praise for Premier Lord and his wife in so many respects. We worked together on many things, particularly on early childhood issues and literacy. I think this

time he probably flip-flopped, because I do have the clippings in my file. It would take some time to find the reference. I know that he said that he is okay with what the present federal Conservative government is doing. He was reluctant. I never understood it. I talked to him about it before he signed in November. I was not twisting his arm; I just wanted to have a little conversation with him. He said he was concerned because in New Brunswick so many of our areas do not have regulated child care. Therefore, he was determined that in the agreement he would sign there would be enough flexibility for various arrangements to allow our rural families to feel they were a part of this new agreement.

I know that he said he was okay with it. I do not have a better quote than that.

**Senator Murray:** I have a copy of the agreement in principle. It says that the Governments of Canada and New Brunswick have developed a bilateral agreement to articulate their shared vision for early learning and child care and to describe specific objectives and investments to advance this vision. Later, it states that New Brunswick's vision is to build on its significant investments to date, creating an early learning and childcare system that focuses on quality, affordability and accessibility and that New Brunswick will continue to make strategic investments. Then it states that, in 2004, New Brunswick announced significant investments in affordability, raising its maximum subsidy rates, expanding the number of families eligible for financial assistance, setting the ambitious goal of an additional 1,500 new child care spaces by 2008. Then it says that the further investment from Ottawa will complement existing federal and provincial investments in New Brunswick and contribute to the range of options available to parents.

Does the honourable senator happen to know whether the "ambitious goal" of an additional 1,500 new child care spaces by 2008 can be realized in the absence of the federal funding referred to here?

**Senator Trenholme Counsell:** Honourable senators, I certainly could not answer for Premier Lord or for the Minister of Family and Community Services. Every government decides how they will use their money and what their priorities will be. I can say with pride that I believe our government is very conscious of the needs of children and parents, especially parents who choose to or must work outside the home.

I believe there are many good programs for families and children around the subject of early childhood development. That may be because of Ms. Lord. Certainly the premier is aware of the need for early childhood development and preschool programs. I have been cooperating and working with the Province of New Brunswick to take their Welcome to Kindergarten program to that province on behalf of the Learning Partnership in Toronto.

I want to say also that they have expanded a program where home daycare can be regulated. The important thing is quality, regulation, standards and training of whoever runs that daycare, not just daycare spaces in a strip mall, which the federal minister recently mentioned. That is not what we want.

I cannot say whether the Premier of New Brunswick will find the money for those 1,500 spaces. I hope he does. It will be much more difficult without the federal money. I doubt he will have the

support in terms of early childhood education and the other supports in place for this agreement that he would have had and, I believe, would have been quite proud to offer the people of New Brunswick.

On motion of Senator Fraser, debate adjourned.

• (1750)

[Translation]

## ACCESS TO DRINKABLE WATER

### INQUIRY

**Hon. Madeleine Plamondon** rose pursuant to notice of June 7, 2006:

That she will call the attention of the Senate to the importance of recognizing access to drinking water as a fundamental human right.

She said: Honourable senators, I rise one last time in hopes of making Canada recognize that access to drinking water is a fundamental human right.

During my short time as a senator, this is the tenth time I have brought the subject of access to drinking water up in the Senate through statements, questions, inquiries or speeches.

[English]

My maiden speech was on this subject and so will be my last today.

Why is this issue so important to me? I have always been interested in environmental issues, but something very particular that honourable senators should know about happened when I was appointed to the Senate. At the same time, I was asked to be the honorary chairman of Development and Peace in my region for three years, the same length of time that I was to be in the Senate.

My term in the Senate is ending, but my term to fight for drinkable water will never end.

[Translation]

The most significant of my early interviews was on *Parole et Vie*, a television program hosted by Roland Leclerc, a well-known priest in the Quebec media. The other guest on that show was there to discuss his new book, *J'ai soif*. Obviously, that meant "I am thirsty" on a spiritual level.

The coincidences were only just beginning that week. Roland Leclerc died in an accidental drowning the following week — water again — and I was asked to deliver homilies in various churches where everything reminded me of water, the peace and development campaign, the book about spiritual thirst and the drowning of a man who received unprecedented tributes at the Notre-Dame-du-Cap basilica.

I still do not understand why Canada refuses to recognize access to drinkable water as a fundamental human right.

[English]

Maude Barlow, National Chairperson of The Council of Canadians, said:

Ever since the powerful players of the World Water Council — the World Bank, the big water corporations, and the aid agencies and water ministries of First World countries — declared that water is not a human right, but rather a human “need” best served by private investors, the issue of the human right to water has become central to the international struggle for the control of water.

[Translation]

Having made a commitment to advance this cause, I did extensive reading of documents, books and articles for more food for thought.

In December 2004, Senator Hervieux-Payette invited Steve Hruddy to the Senate to talk to us about his research, *Lessons from Recent Outbreaks in Affluent Nations*. I went to hear him, along with Senator Cochrane.

Canada has had its share of disasters, and without a push, not only to raise standards but also to enforce them, our country will remain fragile.

Distribution systems are outdated and require major investments that municipalities cannot afford on their own. Technicians need more training. Before we think of exporting water, that rare, precious commodity that our neighbours to the south have their eye on, we have to assess our risks, inventory our reserves and protect them.

We must help Canadians who use artesian wells address the problem of water table contamination from unbridled industrial development. Because we must love our neighbours as ourselves, we must recognize that the countries to the south have the right to drinkable water.

I will not go over all the issues I have raised in the past three years. Suffice it to say that drinking a glass of water is as important as breathing clean air. It is troubling that in Canada today people are wary of tap water. Consumers are buying devices to filter water at home, which is giving rise to a whole industry created out of the public’s mistrust.

Bottled water is everywhere as well. I have already mentioned this. It would be worthwhile to explore in depth the bottled water industry, which is controlled by four major companies: Nestlé, Pepsi-Cola, Coke and Danone.

Who are the lobbyists for these companies? Are they active in Canada? Will there come a time when wealthier people will install their own filtration system or buy bottled water for their own needs, leaving the neediest members of society to find solutions to the problem of drinkable water?

[ Senator Plamondon ]

I hope that the Senate will continue to discuss the issue of drinkable water, because drinkable water is blue gold. It is an issue of world governance, and control must not be given to a few companies. Canada must take a stand on the world stage and not be swayed by covert pressure.

Canadians would be scandalized to learn that their government did not support the United Nations resolution recognizing the right to water. In fact, Canada was the only country to vote against it in 2002. The committee report stated:

[English]

Canada does not accept that there is a right to drinking water and sanitation.

[Translation]

Honourable senators, when I agreed to become a senator, it was above all a public declaration of my love for Canada. I still feel that way. I believe in the values of Canadians. I hope that, on the international scene, these values will be affirmed and bring us honour, and that Canada will recognize that water is a fundamental human right for all, no matter where we live.

**Hon. Lowell Murray:** Honourable senators, we will undoubtedly have an opportunity in the fall to bid farewell to the Honourable Senator Plamondon. However, it may be that she will already have retired by then. I would at this time — on the occasion of her last speech — wish her all the best in her future endeavours. She is deserving of our thanks for all her hard work and her contributions, not only in the matter of drinkable water but in all the issues that she brought to the Senate.

Thank you and good luck, Senator Plamondon.

**The Hon. the Speaker:** Honourable senators, as no other senator wishes to speak, this inquiry is considered debated.

[English]

## HUMAN RIGHTS

### MOTION TO AUTHORIZE COMMITTEE TO STUDY ORGANIZATION FOR SECURITY AND CO-OPERATION IN EUROPE 2005 DECLARATION ON ANTI-SEMITISM AND INTOLERANCE—DEBATE ADJOURNED

**Hon. Jeremiah S. Grafstein,** pursuant to notice of April 5, 2006, moved:

That the following Resolution on Combating Anti-Semitism which was adopted unanimously at the 14th Annual Session of the OSCE Parliamentary Association, in which Canada participated in Washington on July 5, 2005, be referred to the Standing Senate Committee on Human Rights for consideration and that the Committee table its final report no later than October 30, 2006:

#### RESOLUTION ON COMBATING ANTI-SEMITISM

Recalling the resolutions on anti-Semitism by the OSCE Parliamentary Assembly, which were unanimously passed at the annual meetings in Berlin in 2002, in Rotterdam in 2003 and in Edinburgh in 2004,

1. Referring to the commitments made by the participating states emerging from the OSCE conferences in Vienna (June 2003), Berlin (April 2004) and Brussels (September 2004) regarding legal, political and educational efforts to fight anti-Semitism, ensuring "that Jews in the OSCE region can live their lives free of discrimination, harassment and violence",
2. Welcoming the convening of the Conference on Anti-Semitism and on Other Forms of Intolerance in Cordoba, Spain in June 2005,
3. Commending the appointment and continuing role of the three Personal Representatives of the Chairman-in-Office of the OSCE on Combating Anti-Semitism, on Combating Intolerance and Discrimination against Muslims, and on Combating Racism, Xenophobia and Discrimination, also focusing on Intolerance and Discrimination against Christians and Members of Other Religions, reflecting the distinct role of each in addressing these separate issues in the OSCE region,
4. Reaffirming the view expressed in earlier resolutions that anti-Semitism constitutes a threat to fundamental human rights and to democratic values and hence to the security in the OSCE region,
5. Emphasizing the importance of permanent monitoring mechanisms of incidents of anti-Semitism at a national level, as well as the need for public condemnations, energetic police work and vigorous prosecutions,
8. Urges OSCE participating states to publicize data on anti-Semitic incidents in a timely manner as well as report the information to the OSCE Office for Democratic Institutions and Human Rights (ODIHR);
9. Recommends that ODIHR publicize its data on anti-Semitic crimes and hate crimes on a regular basis, highlight best practices, as well as initiate programs with a particular focus in the areas of police, law enforcement, and education;
10. Calls upon national governments to allot adequate resources to the monitoring of anti-Semitism, including the appointment of national ombudspersons or special representatives;
11. Emphasizes the need to broaden the involvement of civil society representatives in the collection, analysis and publication of data on anti-Semitism and related violence;
12. Calls on the national delegations of the OSCE Parliamentary Assembly to ensure that regular debates on the subject of anti-Semitism are conducted in their parliaments and furthermore to support public awareness campaigns on the threat to democracy posed by acts of anti-Semitic hatred, detailing best practices to combat this threat;
13. Calls on the national delegations of the OSCE Parliamentary Assembly to submit written reports at the 2006 Annual Session on the activities of their parliaments with regard to combating anti-Semitism;
14. Calls on the OSCE participating states to develop educational material and teacher training methods to counter contemporary forms of anti-Semitism, as well as update programs on Holocaust education;

The Parliamentary Assembly of the OSCE:

6. Urges OSCE participating states to adopt national uniform definitions for monitoring and collecting information about anti-Semitism and hate crimes along the lines of the January 2005 EUMC Working Definition of Anti-Semitism and to familiarize officials, civil servants and others working in the public sphere with these definitions so that incidents can be quickly identified and recorded;
7. Recommends that OSCE participating states establish national data collection and monitoring mechanisms and improve information-sharing among national government authorities, local officials, and civil society representatives, as well as exchange data and best practices with other OSCE participating states;
15. Urges both the national parliaments and governments of OSCE participating states to review their national laws;
16. Urges the OSCE participating states to improve security at Jewish sites and other locations that are potential targets of anti-Semitic attacks in coordination with the representatives of these communities.

He said: Honourable senators, I intended to speak on Motion No. 5, but due to the hour I will defer my remarks to another day.

On motion of Senator Grafstein, debated adjourned.

The Senate adjourned until Thursday, June 15, 2006, at 1:30 p.m.

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