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Monday, March 29, 2010



THE HONOURABLE NOËL A. KINSELLA
SPEAKER

CONTENTS

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THE SENATE

Monday, March 29, 2010

The Senate met at 8 p.m., the Speaker in the chair.

Prayers.

SENATORS' STATEMENTS

SAINT MARY'S UNIVERSITY HUSKIES

CONGRATULATIONS ON WINNING CIS MEN'S HOCKEY CHAMPIONSHIP

Hon. Wilfred P. Moore: Honourable senators, I rise today to pay tribute to Saint Mary's University of Halifax, Nova Scotia, and its men's varsity hockey team. Yesterday, at Thunder Bay, Ontario, the hockey Huskies defeated the number one ranked Alberta Golden Bears 3-2 in overtime to win the Canadian Interuniversity Sport University Cup as national champions.

This game was an intense struggle between two evenly matched teams. Despite injuries and changes to the lineup, the Huskies worked their way to victory. Although they have experienced numerous near-wins in the past, this was the first national title for the hockey Huskies.

Credit must be given to Saint Mary's head coach, Trevor Stienburg, who led his hard-skating team to victory in our tough Atlantic conference to reach the national playdown. A former Atlantic and Canadian "Coach of the Year," he coached Canada's gold medal winning team in the World University Games at Torino, Italy, in 2007. He is a man of solid personal values who fought back from a severe personal health scare to lead the Huskies this year. We truly appreciate his leadership.

As a Santamarian and former hockey Husky, I am proud of Coach Stienburg and his champion team led by their captain Marc Rancourt and rookie goalie Neil Conway. They all bring credit to Saint Mary's University, to our Atlantic conference and importantly to themselves. I know that former athletic director Bob Hayes, former coach Bob Boucher and mentor Fr. John J. Hennessey, S.J., are smiling down from their perch in the Huskies' skybox. I ask all senators to join me in extending congratulations to this team of champions.

NUNAVUT BROADBAND DEVELOPMENT CORPORATION

Hon. Dennis Glen Patterson: As honourable senators know, Nunavut is by far Canada's largest and most isolated jurisdiction. The 30,000 people of Nunavut live in 25 remote communities with no linking roads, none. However, now we have an information highway connecting the people of Nunavut with each other and with the world. This is QINIQ, a creation of the Nunavut Broadband Development Corporation, a non-profit corporation established in 2005 and aided enormously by investments from Industry Canada. Nunavut has benefited from broadband enhancements more than other jurisdiction in Canada.

QINIQ's growth has been impressive with approximately 4,800 subscribers today who pay \$60 per month. These subscribers represent 50 per cent of all households and corporate buildings in Nunavut.

The growth over the past five years reflects the fact that QINIQ is good for economic development. It has created local jobs by allowing entrepreneurs in all 25 communities to become community service providers, each one receiving training and earning commissions on their QINIQ accounts, over \$850,000 in annual revenue in remote communities.

Over a short time, people have adopted broadband as an essential service for work, business, to obtain news, to bank online, to order or market products and services, to obtain and submit government information, and to communicate with family and friends.

In response to the challenges of growth, in August 2008, Infrastructure Canada announced they would invest \$21 million in network upgrades, additional satellite capacity and essential new bandwidth management tools. That investment was matched by funds from other, mostly private, sources in a true public-private partnership. This investment has meant noticeable improvements in speed, especially during busy hours. Exciting new broadband services such as video conferencing and the ability to move large data files will be announced this month. These new services will positively affect the delivery of education and health services.

I am especially encouraged about one potential application, which I enthusiastically support — to enhance the fledgling University of the Arctic. With support from federal departments led by Indian and Northern Affairs Canada, three territorial colleges in Yukon, North West Territories and Nunavut plan to expand opportunities for university-level education across the North, not based on bricks and mortar but by creating a cyber-university.

The ability of the QINIQ network to provide video conferencing and other communications will be an ideal vehicle for making university courses accessible to students in even the most remote locations. I emphasize that all communities in Nunavut are satellite-dependent and that satellite bandwidth is extremely expensive. That is the number one challenge. Broadband must be subsidized by federal funds because speeds are slow compared to fibre optic cables now widespread in the South. Broadband service in the South on cable and phone lines is much faster and costs less than 5 per cent of the service in Nunavut.

In the North, connectivity is not a luxury; it is a lifeline, an opportunity to bridge North-South economic inequities. Connectivity is as vital to economic and social development in Arctic regions as the Canadian Pacific Railway, the Trans-Canada Highway and TransCanada Pipelines have been for Southern Canada.

In closing, I note an important and looming reality. On July 1, 2012, the infrastructure fund for bandwidth support will finish. Honourable senators, I believe that broadband capacity in a territory without any roads, a communications highway connecting to Southern Canada and the world is as high a priority as housing, water, ports and airports.

WORLD AUTISM AWARENESS DAY

Hon. Jim Munson: Honourable senators, April 2 is World Autism Awareness Day, a day recognized by 192 members of the United Nations. First, I invite you to join us tomorrow in the Commonwealth Room, room 238-S in Centre Block, and meet people working on behalf of autistic people, a group called the Canadian Autism Spectrum Disorders Alliance. By bringing these leaders together with parliamentarians, we want to raise awareness and create links between decision-makers and the people working hard every day on behalf of people with autism.

Later this week, I will move and speak on second reading of Bill S-211, An Act respecting World Autism Awareness Day. This bill has twice been given support by the Senate, in particular the warm support of Senator Keon and Senator Oliver, but has not become law yet because of two prorogations.

The bill includes in its preamble two short points. First, it states that Canada has no national strategy for autism and, second, it reminds us that Canada is a signatory of the United Nations Convention on the Rights of the Child and the United Nations Convention on the Rights of Persons with Disabilities.

These elements of the bill are important to the stakeholders honourable senators will meet tomorrow. These elements are fundamental to improving the lives of people with autism in this country.

Without a national strategy, efforts to address this disorder will remain ad hoc and disparate. Without recognizing the rights of people with autism, we fail to show them respect.

[*Translation*]

As I have already said in this chamber, recognizing April 2 as World Autism Awareness Day will not cure autism. It will not guarantee treatments for the children who need them and who wait a long time for them. It will not provide financial assistance to the families who band together to pay for these treatments themselves.

[*English*]

However, by making Bill S-211 law, we express compassion, care and respect. We say to people with autism that we will take action and we want to include them. This action shows what Canadian values are.

WORLD WAR I

BOOKS OF REFLECTION

Hon. Pamela Wallin: Honourable senators, today Prime Minister Stephen Harper launched the signing of a Book of Reflection on Parliament Hill commemorating all those who

[Senator Patterson]

served our country during the First World War. The government has created a number of these Books of Reflection to give Canadians across the country an opportunity to pay their respects after the passing of John “Jack” Babcock, Canada’s last known First World War veteran.

• (2010)

From 1914 to 1918, more than 650,000 men and women served their country. Their contribution helped define us as a nation and shaped the country in which we live today. Their voices may have now fallen silent, but their memories will live on through us. It is our duty — perhaps even our honour — as Canadians to remember their sacrifices and to show our thanks for the freedom we now enjoy.

Honourable senators, I encourage Canadians to sign the Books at locations across the country as a tribute to the generation of remarkable men and women who came to define the Canada we know today: a nation strong and free and proud.

The Books of Reflection will be placed at various locations across Canada, including Parliament Hill, Rideau Hall, the Canadian War Museum in Ottawa, and each provincial and territorial legislature. Books will also be available overseas at the Canadian National Vimy Memorial; at the Beaumont-Hamel Newfoundland Memorial, in France; at Canada House, in London; and at the Canadian Forces base, in Kandahar. These books will be open until April 12, 2010.

For those who are not able to access a Book of Reflection in their area, they can contribute to the virtual Book of Reflection available on the Veterans Affairs Canada website at www.vac-acc.gc.ca.

NATIONAL ABORIGINAL ACHIEVEMENT AWARDS

Hon. Lillian Eva Dyck: Honourable senators, I had the pleasure of attending the seventeenth annual National Aboriginal Achievement Awards Gala held in Regina on Friday, March 26. The gala recognizes 14 outstanding Aboriginals from across Canada for their work in various areas, such as lifetime achievement, youth, health and so on.

The award recipient in the law and justice category this year was Don Worme. Don was the only recipient from Saskatchewan. He was raised on the Kawacatoose First Nation, about 100 kilometres north of Regina.

Over the years, Mr. Worme was involved in the Ipperwash Inquiry that placed blame on the Ontario Government and police in the death of protester Dudley George; he represented an inmate at the Kingston Penitentiary Inquiry where cruel practices were deemed to have been undertaken; and he represented the family of Neil Stonechild in the Neil Stonechild Inquiry, which investigated the freezing death of the Saskatoon teen.

More recently, Mr. Worme has been appointed as the chief counsel for the residential schools’ Truth and Reconciliation Commission. He stated:

The injustice that is faced by many in our society — and not just First Nations communities — deserves to be responded to. The sense of social justice I was raised with,

that my grandfather instilled . . . his view of the world was that if you see wrong, then you must speak out about it. If you can do something about it, beyond speaking, then you must do it. That is our duty.

Honourable senators, congratulations to Don Worme, his wife Helen Semaganis and his family on receiving this latest honour.

2010 FORD WORLD WOMEN'S CURLING CHAMPIONSHIP

Hon. Donald Neil Plett: Honourable senators, I rise today to congratulate both the city of Swift Current and women curlers from around the world for an outstanding world record attendance curling event this past week at the Ford World Women's Curling championship. I especially congratulate the Jennifer Jones foursome from my curling club in St. Vital, Manitoba, for their bronze medal win.

This foursome has an impressive resumé when it comes to curling, having won the Scotties Tournament of Hearts Canadian championship no less than four times and having won the world championship in 2008.

At this year's Ford World Women's Curling championship, Team Canada went 10 and 1 to take first place after round robin play, until losing to Germany and then Scotland. This put Team Canada into the bronze medal game against Sweden, which they won by a score of 9 to 6. Incidentally, Germany's third, Melanie Robillard, is originally from the city of Ottawa.

Honourable senators, please join me in congratulating the pride of St. Vital and Manitoba, Canada's national curling champions, lead, Dawn Askin; second, Jill Officer; third, Cathy Overton-Clapham; and skip, Jennifer Jones, for a job well done.

[Translation]

ROUTINE PROCEEDINGS

ENVIRONMENT

USER FEES PROPOSAL FOR CANADA'S
NATIONAL PARKS, HISTORIC SITES AND MARINE
CONSERVATION AREAS—REPORT TABLED
AND REFERRED TO ENERGY, THE ENVIRONMENT
AND NATURAL RESOURCES COMMITTEE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, pursuant to section 4(2) of the User Fees Act, I have the honour to table, in both official languages, a proposal concerning user fees for national parks, national historic sites and national marine conservation areas.

After consultation with the Leader of the Opposition, it was decided that the Standing Senate Committee on Energy, the Environment and Natural Resources would examine the document.

[English]

The Hon. the Speaker: Honourable senators, pursuant to rule 28(3.1), this document is deemed referred to the Standing Senate Committee on Energy, the Environment and Natural Resources.

[Translation]

FOREIGN AFFAIRS

GLOBAL PARTNERSHIP PROGRAM—
FIGHTING TERRORISM AND WEAPONS
OF MASS DESTRUCTION, 2007-09—
DOCUMENT TABLED

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the report to the Global Partnership Program entitled, *Fighting Terrorism and Weapons of Mass Destruction, 2007-2009*.

THE SENATE

APOLOGY TO FORMER STUDENTS
OF INDIAN RESIDENTIAL SCHOOLS—
NOTICE OF MOTION TO RESOLVE INTO COMMITTEE
OF THE WHOLE TO HEAR FROM REPRESENTATIVES
OF ABORIGINAL COMMUNITIES

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

That, at 3 o'clock p.m. on Thursday, June 3, 2010, the Senate resolve itself into a Committee of the Whole in order to hear from the National Chief of the Assembly of First Nations, the National Chief of the Congress of Aboriginal Peoples, the President of the Inuit Tapiriit Kanatami, and the President of the Metis National Council, for the purpose of reporting on progress made on commitments endorsed by parliamentarians of both Chambers since the Government's apology to former students of Indian Residential Schools.

[English]

NATIONAL SECURITY AND DEFENCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE
TO STUDY SERVICES AND BENEFITS FOR MEMBERS
AND VETERANS OF ARMED FORCES AND CURRENT
AND FORMER MEMBERS OF THE RCMP,
COMMEMORATIVE ACTIVITIES AND CHARTER
AND REFER PAPERS AND EVIDENCE SINCE
FIRST SESSION OF FORTIETH PARLIAMENT

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

That the Standing Senate Committee on National Security and Defence be authorized to study:

- (a) Services and benefits provided to members of the Canadian Forces; to veterans who have served honourably in Her Majesty's Canadian Armed Forces in the past; to members and former members of the Royal Canadian Mounted Police and its antecedents; and all of their families;

(b) Commemorative activities undertaken by the Department of Veterans Affairs Canada, to keep alive for all Canadians the memory of Canadian veterans' achievements and sacrifices; and

(c) Continuing implementation of the New Veterans Charter;

That the papers and evidence received and taken during the First and Second Sessions of the Fortieth Parliament be referred to the Committee; and

That the Committee report to the Senate no later than June 17th, 2011, and that the Committee retain all powers necessary to publicize its findings until 90 days after the tabling of the final report.

• (2020)

[*Translation*]

QUESTION PERIOD

DELAYED ANSWER TO ORAL QUESTION

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour to present a delayed answer to an oral question raised by Senator Mitchell on March 9, 2010, concerning the Status of Women, gender-based analysis protocols.

STATUS OF WOMEN

GENDER-BASED ANALYSIS PROTOCOLS

(Response to question raised by Hon. Grant Mitchell on March 9, 2010)

The Government is committed to strengthening the use of gender-based analysis (GBA) as a key tool to develop policy and inform funding decisions. The commitment to gender-based analysis is deemed a shared responsibility between Status of Women Canada (SWC) playing a leadership and capacity-building role, individual departments and agencies responsible for using GBA and for achieving concrete results with this tool, and central agencies performing a challenge function to ensure that Ministers receive comprehensive analysis, including gender considerations, on which to base their decisions.

The Privy Council Office (PCO) plays a challenge role in ensuring federal departments take into account all relevant factors, including gender impacts, in the development of legislation, policies and programs and that evidence of this is present in Memoranda to Cabinet. In 2008-09, the PCO developed a template to serve as guidance for departments and agencies on how GBA should be considered in the process.

Since 2007, the Treasury Board Secretariat (TBS) requires evidence, where relevant, that GBA was conducted in the preparation of Treasury Board submissions and challenges departments and agencies if this evidence is lacking. Furthermore, through the Management Accountability Framework, the TBS assesses the capacity of departments and agencies to develop Treasury Board submissions that properly address legal and government priorities as well as commitments and obligations, including GBA. Both PCO and TBS are committed to provide on-going GBA training to new and current analysts, in order to support their challenge function.

Pursuant to the Auditor General's audit on the practice of GBA, a Gender-Based Analysis Action Plan (GBA Action Plan) was tabled at the Public Accounts Committee on October 16, 2009 to clarify the roles and responsibilities for SWC, the TBS, the PCO and other government departments and agencies. The aim of the GBA Action Plan is also to accelerate the integration of GBA and strengthen accountability on the part of departments and agencies. Progress and results will be closely monitored by SWC, the PCO and TBS starting in the summer of 2010.

Under the GBA Action Plan, and through a phased-in approach, departments and agencies are asked to identify gender impacts in the development of one initiative; implement specific organizational elements of a GBA framework; self-assess on a yearly basis their performance and effectiveness in implementing GBA, using instruments developed by Status of Women Canada; and report findings through current accountability mechanisms.

Since the tabling of the GBA Action Plan, SWC has been working with all the departments identified in the audit, as well as others who have chosen to pro-actively fulfill the expectations regarding the application of GBA and the creation of GBA framework elements. Joint panel discussions are also offered to line departments by SWC, TBS and PCO to communicate expectations with respect to GBA.

SWC will continue to play a leadership role in the government-wide implementation of GBA. The Agency does this in four key areas. Firstly, SWC provides specialized advice to departments and agencies on a variety of fronts such as the development of GBA policies, frameworks, and analysis. This includes SWC's providing comments to departments in their development of Memoranda to Cabinet, to help identify areas that may have particular gender impacts. Secondly, SWC provides training to departments and agencies to ensure they have the skills necessary to implement GBA, and are able to follow-through on their commitments and obligations to do so. Thirdly, to further support departments and agencies, SWC has a range of tools and guides that can further inform the implementation of GBA. SWC also chairs the GBA Interdepartmental Committee which serves as a forum for SWC to systematically gauge the needs of departments and

[Senator Wallin]

enables cross-departmental sharing of information and expertise in the development and application of GBA. Finally, SWC supports the accountability roles and responsibilities played by the central agencies.

The Department of Finance ensures that gender considerations are integrated into all aspects of the budget process. In developing the federal budget, the Government holds broad-based consultations that provide an opportunity for all interested stakeholders to present their views. The Government also considers submissions presented to the House of Commons Standing Committee on Finance during the pre-budgetary hearings. This information plays an essential role in informing the Department of Finance's understanding of the perspectives of stakeholders, including gender perspectives, as well as the impact of proposed policy initiatives on segments of the population. Departments and agencies are also responsible for conducting GBA and identifying potential gender impacts, where appropriate, when developing new measures for consideration in the budget process.

[English]

ORDERS OF THE DAY

APPROPRIATION BILL NO. 5, 2009-10

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Gerstein, seconded by the Honourable Senator Stewart Olsen, for the second reading of Bill C-6, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2010.

Hon. Joseph A. Day: Honourable senators, we are at second reading of Bill C-6. Honourable senators will understand that this is the final supply bill for the government for this fiscal year, which ends at the end of this week.

We heard from Senator Gerstein who spoke on behalf of the government in relation to this particular bill at our last sitting. There is little with which I can take issue with respect to Senator Gerstein, however, I do want to bring to the attention of honourable senators the question that Senator Cordy asked at the conclusion of Senator Gerstein's speech. Senator Cordy was not provided with an answer satisfactory to her, so she asked the question again. She posed the question twice and did not pursue the matter further than that.

The question was, honourable senators, how much money did the government spend during the Olympics in promoting the government's Economic Action Plan? The answer was in *The Globe and Mail*, and the answer is \$5 million.

An Hon. Senator: No!

An Hon. Senator: Shame!

Senator Day: The answer is \$5 million, honourable senators. We can all argue about the amount and whether it was necessary, but the point I want to make is that no senator should have to go to *The Globe and Mail* or the *National Post* to get an answer to a question as pertinent as that question was. Honourable senators, perhaps in the future when a question of substance is posed in this chamber, we can ensure that we will attempt to obtain the answer if we do not have one.

Honourable senators, in this particular bill, the government is asking to be able to spend \$1.8 billion on expenditures that were not sufficiently developed earlier on. This is an excellent time for all of us to understand the fiscal cycle. We have had a budget and we are just finishing up this particular fiscal year. We will be dealing later on this evening with the beginning of the next fiscal year and the documentation in regard to that.

There were three supplementary estimates that expanded on the original Main Estimates that were filed a year ago, and they were Supplementary Estimates (A), which came in late April or early May; Supplementary Estimates (B), in early fall; and Supplementary Estimates (C), which close out the year and which were forthcoming earlier this month.

To close out this particular year, the total amount that is reflected is \$6.1 billion in the supplementary estimates, but a large portion of that, \$4.3 billion, is statutory. It is there for our information only, and we are not being called upon to vote on that particular matter. When we vote on this bill, honourable senators, we are voting for \$1.8 billion of additional expenditures that the government is requesting in order to conclude this particular year.

I do not intend to recite the various figures again, but honourable senators will recall that there was a decrease of \$228 million in the forecast for Guaranteed Income Supplements for those seniors who receive Old Age Security pension cheques and who need the additional supplementary income because their income is so low. There was some concern that the particular figure of \$228 million less than was needed this particular year may require some further investigation.

Honourable senators, with those comments, I think it is unnecessary to proceed through the various aspects of the bill, other than to point out that what we normally do is compare the schedules that are attached to this particular bill. Honourable senators will refer to Schedules 1 and 2. The schedules that are attached to the bill outline which departments this \$1.8 billion is allocated to. Schedule 2 provides for those particular departments that had been authorized to have supply over a two-year period.

In this particular bill, there is \$14 million for Canada Border Services Agency, for example, that can be spent over two years. Canada Border Services Agency, Environment Canada, Canada Revenue Agency, and Public Safety and Emergency Preparedness are the departments that can spend over two years. For all the other departments, the funds must be spent over one year or they lapse, other than the 5 per cent in operating funds that can be carried forward, which we have provided for.

Honourable senators, with that in mind, I point out to you that there was one change in this schedule, one change from the Supplementary Estimates (C) that you have seen earlier and studied, and that is with respect to the \$450 million forgiveness of the consolidation of loans to Pakistan. That was because it had been listed as a loan and the government now wishes to transfer it into an expenditure and, in fact, wipe it off. However, a loan cannot be forgiven without Parliament saying it can be forgiven.

Therefore, the number has changed, honourable senators, from page 116 of Supplementary Estimates (C). Where the particular vote was shown as "L," for loan, 37, Supplementary Estimates (C), it is now shown as vote number 32, Supplementary Estimates (C), in the Main Estimates, so it is a budgetary expenditure.

Honourable senators, those are all the comments I have with respect to Bill C-6 at second reading. Once the bill passes second reading, it is our custom here to proceed to third reading at the next sitting of the Senate. We do not refer this particular bill, a supply bill, to committee because the committee has studied the matter previously. With respect to the new Main Estimates, we will continue to study those throughout the year. Our report is quite important in relation to these matters, and the report in relation to Supplementary Estimates (C) was adopted by this chamber on Thursday past.

Hon. Terry M. Mercer: Would Senator Day permit a question?

Senator Day: Yes.

• (2030)

Senator Mercer: Honourable senators, I will complain, as I do every time we come to the estimates, about the tardiness of these bills coming to us at the last moment, putting us under the gun to pass them by a certain date. I put on the record my continued frustration not only with this government, but also with the previous government.

I want to ask the honourable senator about the \$228 million decrease in the Guaranteed Income Supplement. If I recall correctly, a major recommendation of the Special Senate Committee on Aging's study was that the government take a proactive view towards the Guaranteed Income Supplement. A senior who applies for any other benefit from the government, but is deemed by analysis of their income to be qualified for the GIS, would automatically be qualified for and receive it. This is opposed to the way it operates currently, wherein if one does not apply, one does not get it. The only place in the country where it is different is in the province of Quebec. Quebec has been proactive and done a great job for their seniors to ensure that seniors who qualify for the GIS receive it.

Am I to assume that this \$228 million decrease is money that should have been paid to seniors, but has not been paid to seniors?

Senator Day: Honourable senators, I do not think one could assume that. This is a forecast made by the government for the coming year. The forecast indicates that the decrease of \$228 million to Guaranteed Income Supplement benefit payments is based on updated population and average monthly rate forecast.

[Senator Day]

Keep in mind that these supplementary estimates are to close out this particular fiscal year. The government has looked at their books for the year and has determined that they had over-budgeted and did not need \$228 million.

I am aware of the situation that the honourable senator raises with respect to Guaranteed Income Supplements. Virtually everyone entitled in the province of Quebec receives the Guaranteed Income Supplement because the department actively pursues seniors to ensure they are receiving it. The committee heard from Human Resources and Skills Development Canada, which deals with this for the rest of Canada, and they do not act as actively. They periodically send out a letter, but they do not actively try to ensure that all eligible seniors are receiving the GIS.

There is a gap and the committee needs to stay on top of it to ensure that what happens in the province of Quebec happens throughout Canada so that any senior entitled to a Guaranteed Income Supplement receives it.

Senator Mercer: Senator Day said that I cannot assume the decrease is money that should have been paid to seniors, but I also cannot assume it is not true. I would assume that if we had the Auditor General take time to analyze this \$228 million and the files of people receiving benefits who may qualify for the Guaranteed Income Supplement, this number would decrease significantly. Simply because the government has said it does not need the money since people have not applied does not mean there are not people entitled. We have referred to the good citizens of Quebec who benefit because their government is proactive on this file. The federal government is not proactive.

The honourable senator says that I cannot assume it. Is it not correct, as well, to say that we can assume it?

Senator Day: That there may be some seniors who are not receiving their entitlement is a matter of deep concern to everyone in this chamber. I remind the honourable senator that the Auditor General is an officer of both this chamber and the other place. She is often open to suggestions as to what might be examined. Therefore, the honourable senator may wish to pursue that by following up on his concerns and assumptions.

However, from the point of view of the Standing Senate Committee on National Finance, I can assure honourable senators that this is a matter of grave concern to us and we will also monitor it.

[Translation]

Hon. Jean Lapointe: Senator Day, I will speak to you in French. I could say a few words to you in Chinese.

[Editor's Note: Senator Lapointe spoke in a foreign language.]

That means: Do you understand everything you are saying to us? I must say that I have a great deal of admiration for you because this is all Greek to me!

[English]

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

(Motion agreed to and bill read second time, on division.)

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

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

APPROPRIATION BILL NO. 1, 2010-11

SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Gerstein, seconded by the Honourable Senator Kochhar, for the second reading of Bill C-7, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2011.

Hon. Joseph A. Day: Honourable senators, I will attempt to explain this bill as well as I can. These two supply bills are very different and are handled in a different manner than other pieces of legislation that pass through this chamber. The Standing Senate Committee on National Finance is always looking for new recruits to come along and learn this process. Any honourable senator who would like an opportunity to learn how supply is handled within the committee and within the Senate is welcome to join us.

Honourable senators, this is the first supply bill for the 2010-11 fiscal year. We received the Main Estimates document only two weeks ago. We have the entire year to review this document, that the honourable senator opposite indicates is five or six centimetres thick, and to pursue issues that we wish to pursue. We can do likewise with respect to issues or departments that we may wish to follow.

This particular bill is seeking permission from Parliament to grant interim financing until the end of June to give all honourable senators an opportunity to look at the overall Main Estimates presented by government as expenditures they will need for this period. They are asking for approximately three twelfths. I will point out certain areas where the government is asking for more for various reasons.

It is normally supply for April, May and June that is being sought through this bill. The total expenditure for the fiscal year is \$272 billion. This particular bill asks for an amount much less than that. It is \$27 billion, honourable senators, that is sought. That amount is made up of \$19 billion that fits into the three-month portion. The balance is for various departments

by reason of special circumstances, perhaps because money is required by that department more at the front end of the year. It is not a straight line or the same demand throughout the year.

• (2040)

I can give honourable senators an example, if honourable senators are interested in one of the explanations.

One particular department is the Canadian Grain Commission, which is asking for an additional eight twelfths, saying that is required beyond the normal three twelfths of its annual amount. The commission is asking for eleven twelfths or almost their entire annual amount now. This is to assist the Canadian Grain Commission in its cash flow management while attempting to secure a sustainable funding arrangement for the upcoming fiscal year. That is the kind of special requirement that appears.

In addition to those special departments that need more funding, there is the same thing we looked at before: Schedule 2 covers those various departments that receive two-year funding.

Apart from that, honourable senators, I can assure you we have checked Schedules 1 and 2 against the Main Estimates and they are the same. We have begun our study on the interim supply. The report is before honourable senators and will be dealt with later this evening. In effect, the report is our initial preliminary study. It is very preliminary but we will follow through with that and, as I indicated earlier, we have the authority from honourable senators and the direction from this chamber to continue our study throughout the year on these Main Estimates.

Currently, honourable senators are being asked at second reading to consider the request of Her Majesty and the request for the right of the executive and the government to expend \$27 billion out of the Main Estimates. The total amount of the Main Estimates is well over \$272 billion.

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

Some Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Gerstein, seconded by the Honourable Senator Kochhar, that Bill C-7, An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2011, be read a second time.

Is it your pleasure, honourable senators, to adopt the motion?

(Motion agreed to and bill read second time, on division.)

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

(On motion of Senator Comeau, bill placed on the Orders of the Day for third reading at the next reading of the Senate.)

[*Translation*]

CRIMINAL CODE

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Runciman, seconded by the Honourable Senator Stewart Olsen, for the second reading of Bill S-2, An Act to amend the Criminal Code and other Acts.

Hon. Marie-P. Poulin: Honourable senators, I am here this evening to respond to Bill S-2, which is designed to tighten the law with regard to sexual crimes.

This bill contains recommendations aimed at providing more robust provisions for investigating, prosecuting and monitoring sexual offenders.

As a result, the tools of law enforcement will be enhanced and there will be greater public protection against perpetrators of heinous offences, particularly in the areas of child pornography and the sexual exploitation of children.

By way of background, the precursor to Bill S-2 was Bill C-34, introduced in the other place about a year ago. The other place's Standing Committee on Public Safety and National Security reviewed the Sex Offender Information Registration Act.

That committee's report addressed some concerns put forward by the Liberal members and was tabled in the House of Commons last December, but its progress was curtailed by the government's prorogation of Parliament.

[*English*]

Honourable senators, it should be noted that the review, which was started in February 2009, was actually instigated by the standing committee in the other place, because, under the terms of the act itself, a review should have been conducted two years after it came into force in December 2004.

That the government introduced Bill C-34 at the time the standing committee was, of its own volition, about to deliver its independent statutory review last December shows how muddled it was over its own much touted position to get tough on crime.

If the government was so eager to pursue a tough-on-crime policy, one wonders at the long delay in strengthening the National Sex Offender Registry to better protect Canadians from sexual offenders.

What purpose did the government think would be served by pre-empting a standing committee — and its own members on that committee — by putting forward Bill C-34 at the exact same time its committee was about to table an independent report in the other place last December? It is no small wonder that committee members were perplexed by the government's actions.

Fortunately, the substance of the committee's report is reflected in the revised draft of the Bill C-34 legislation now known as Bill S-2.

Had the committee not initiated its own statutory review, despite the government's several years of neglect of that obligation, the reform legislation we are dealing with now would still be at the starting gate.

Finally, we have the results of the statutory review before us in Bill S-2, the reincarnation of Bill C-34, revised as it is to refine the Sex Offender Information Registration Act.

[*Translation*]

Honourable senators, in debating whether to send Bill S-2 to the Senate's Standing Committee on Legal and Constitutional Affairs, I applaud the House of Commons committee for its work and wish to emphasize the merits of its legislative proposals.

At the same time, I urge the Senate committee examining the bill to exercise due diligence in several areas that I will discuss shortly.

First, though, we need to examine the bill in the context of the times.

Every day, we are barraged with terrible imagery from a host of television crime programs. We get the impression that we are being overrun by rapists, molesters and murderers.

The issue that springs from that imagery is whether our laws are a reaction to fear that weighs too heavily on children, their parents and older people.

In other words, does the evidence warrant the degree of intrusion proposed in S-2 and if so, how far? At stake here are victims' rights, offenders' rights, and the protection of society. We must be careful to strike a balance.

• (2050)

[*English*]

Honourable senators, permit me to review a few facts with you. To begin with, the National DNA Data Bank was set up in 2000 to collect evidence from crime scenes containing genetic profiles derived from bodily substances — an initiative aimed at prosecuting crimes. This data bank, administered by the RCMP, allows authorities to match profiles from crime scenes against samples taken from offenders by court order.

In addition to the data bank of 2000, the Sex Offender Information Registration Act, or SOIRA, was proclaimed into law in 2004. Four years later, in 2008, amendments to the National Defence Act ensured that SOIRA applied to Canadian Forces personnel found guilty of designated offences at court martial. The National Sex Offender Registry is governed by SOIRA, and the National DNA Data Bank by the DNA Identification Act.

All these laws dealing with crimes of a sexual nature come against a backdrop of perceptions that such offences are rampant. Such views are not supported by the numbers. Figures from Statistics Canada show that crime is actually on the decline —

down 17 per cent in 2008 from 1998. The crimes of aggravated sexual assault and sexual assault with a weapon or causing bodily harm were down 43 and 40 per cent respectively over the same 10-year period. Sexual assault involving the least personal injury was down 23 per cent.

Unfortunately, an exact assessment of sexual crimes against children is not readily available due to different reporting methodologies over that span of time. Nevertheless, I do believe that all of us in this chamber know that the raw numbers that are available do not begin to reflect the stark horror behind the adults and children who suffer terribly each year from various forms of sexual assault.

In 2008, about 1,400 children were reported by police to have been victimized. Overall, there were almost 21,000 assaults with relatively minor physical injuries, a category known as level 1. At the next most serious level, level 2, there were 352 sexual assaults that involved a weapon, threats to use a weapon or causing bodily harm. At the highest category, level 3, there were 139 cases of sexual assault in 2008 that involved wounding, maiming, disfigurement or endangerment to life.

Thus, somewhere in Canada today, children and adults are undergoing a terrifying ordeal. We can only imagine the horror of brutal, perverse acts that traumatize and damage minds and bodies. That is why we must ensure that this legislation meets its objectives.

[*Translation*]

Honourable senators, it is clear that, with some provisions, the recommendations for improving the six-year-old Sex Offender Information Registration Act are reasonable. However, that said, there are several areas that need addressing. I have three major concerns which I will briefly speak to. They are as follows.

First is the list of primary offences, which requiring offenders to automatically be put on the sex offender list. Second is the absence of adequate judicial discretion in determining who should be exempted from the list. Third, there are the potential difficulties inherent in offenders seeking to have court orders terminated, that is, to be removed from the list.

Before moving to those points, I would point out, as my colleague Senator Runciman did, that Bill S-2 is modelled after similar legislation in Ontario, the Ontario Sex Registry, often referred to as Christopher's Law in memory of a young boy who was raped and killed by a convicted sex offender. Christopher's parents deserve not only our sincere sympathy, but also our admiration and gratitude. They championed the idea of the Ontario Sex Registry, following Christopher's horrible experience.

[*English*]

Honourable senators, the category of sexual offences is similar in both the Ontario and federal lists. All offences are covered by the Criminal Code of Canada.

In April a year ago, there were 11,963 offenders registered on the Ontario registry, and more than 19,000 registered in the national registry. Clearly, the numbers seem to show a disproportion between the two registries, and perhaps the same situation exists in other provinces.

Certainly, enforcement rates vary province by province because of different judicial practices, including plea bargaining. In addition, about 50 per cent of offenders found guilty of a designated offence have not complied with national register orders, but, hopefully, this will end with the passage of Bill S-2.

As it stands, offenders placed on provincial registries have only to move to another province to escape compliance. That should end with Bill S-2.

The committee may want to consider the apparent duplication of multiple registries. Undoubtedly, the national registry list will grow as the new mandatory orders take hold, resulting in greater manpower and financial resources. The benchmark will be whether the new measures are effective in reducing sex crimes and protecting the public.

[*Translation*]

I mentioned three items that I believe could be looked into further at committee.

First, 18 primary offences identified in the Criminal Code now warrant mandatory inclusion on the national offender list.

They are: offences in relation to sexual offences against children committed outside Canada, such as sex tourism abroad; sexual interference; invitation to sexual touching; sexual exploitation of a person with disability; incest; bestiality in the presence of or by a child; making, possession, or distribution of child pornography; parent or guardian procuring sexual activity; luring a child by means of a computer system; exposure; stupefying or overpowering for the purpose of sexual intercourse; living off the avails of prostitution of a person under age 18; obtaining prostitution of a person under age 18; sexual assault, sexual assault with a weapon, threats to a third party or causing bodily harm, aggravated sexual assault — use of a restricted firearm or prohibited firearm or any firearm in connection with criminal organization; and removal or abduction of a child from Canada for sexual purpose.

Under Bill S-2, all these crimes are treated the same: a mandatory order to be placed on the offender list regardless of the crime. Absent in the judicial process is discretion by the judge to determine whether the nature of the offence warrants the stigma of being placed on the registry.

• (2100)

I should add that it is the offenders who will be responsible for reporting their movements to authorities. A moment ago, I touched on the types of offences that will trigger automatic registration, and I respectfully ask the committee to pay close attention to the different degrees of severity and the interpretations possible upon conviction.

For example, does a case of exposure warrant the same degree of punishment as incest or bestiality involving a child? Care must be taken to not be over zealous.

One redeeming provision of the bill is that offenders will be able to petition the court to terminate an order, provided they have the knowledge, capability and financial resources to do so. Furthermore, in the absence of judicial discretion, one pauses at the prospect of emasculating our judges by tying their hands and forcing them to impose mandatory sentences.

Our judges are learned individuals who, in their legal careers, have demonstrated not only proficiency in the law, but that they are capable of weighing evidence and issuing judgments consistent with the cases before them.

How can we seriously believe that they could not distinguish between different types of offences? Would it not be unjust that two offenders should suffer the same consequences — the ignominy of being placed on a reviled list — when one has committed a far lesser crime and is but a petty offender? Might a judge not be inclined to record a not guilty verdict because of the mandatory order required under the proposed legislation? Would justice not be better served by providing discretion in sentencing?

Should the first-time offender not be given an opportunity at sentencing to demonstrate why he, or she, should not be placed on the list? Would this not ensure a fairer system than the one-penalty-fits-all approach?

Honourable senators, we have little tolerance for sex offenders, and I am all for that, but sentence in our judicial system should be tempered with an appropriate degree of flexibility to keep our communities safe, without imposing undue burdens on those guilty of secondary, or lesser, offences of a sexual nature.

As the list grows, resulting in escalating administrative and monitoring costs, would it not be prudent to allow individuals who no longer pose a threat to be taken off the list?

As for indecent acts, abduction, and kidnappings, again, orders for mandatory inclusion in the national registry are required if it can be established that, in the commission of a designated crime, there was an intent to commit an offence of a sexual nature. One wonders about the definition of an indecent act and why that term was put in this “secondary” list of sex offences while exposure is among the primary offences. Perhaps this can be clarified at committee.

In addition, can the government assure Canadians that police will have the manpower and financial resources to monitor the offender list and ensure compliance with court orders?

Honourable senators, the report of the House of Commons Standing Committee on Public Safety and National Security noted that the National Sex Offender Registry is not a panacea, and that the implementation of innovative solutions for the monitoring and handling of sex offenders must remain a priority.

[Senator Poulin]

In keeping with that assertion, I have touched upon three areas where, I believe, improvements could be made: distinguishing between the different degrees of seriousness of offences; restoring an element of judicial discretion; and re-evaluating the process for petitioning to terminate orders involving the offender list.

Those are my observations, honourable senators.

Hon. Suzanne Fortin-Duplessis (The Hon. the Acting Speaker): Are honourable senators ready for the question?

Some Hon. Senators: Question!

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

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

The Hon. the Acting 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 Legal and Constitutional Affairs.)

[English]

THE ESTIMATES, 2010-11

MAIN ESTIMATES—THIRD REPORT OF NATIONAL FINANCE COMMITTEE ADOPTED

The Senate proceeded to consideration of the third report (first interim) of the Standing Senate Committee on National Finance (*2010-2011 Estimates*), presented in the Senate on March 25, 2010.

Hon. Joseph A. Day moved the adoption of the report.

He said: I refer honourable senators to page 172 of the *Journals of the Senate* where they will find a copy of the third report that I have asked to be adopted.

• (2110)

Honourable senators, this report is the first interim report in relation to the estimates for this fiscal year. Honourable senators will recall that I spoke earlier about the last supply period leading up to the end of this week. Now we are dealing with the report of the Main Estimates and interim supply that takes us to the end of June. The best way to think of the supply cycle is that when the budget comes out, we receive the Main Estimates and we deal with interim supply to the end of June. Following the end of June, we deal with the remainder of supply for the rest of the year.

In addition to those bills, there will be other supplementary estimates because, honourable senators, time does not stand still and these Main Estimates were prepared before the budget came out. The budget initiatives for this particular year, Budget 2010, are not reflected in the Main Estimates but will be reflected in Supplementary Estimates (A) and perhaps Supplementary

Estimates (B) and Supplementary Estimates (C). Usually, Supplementary Estimates (A) will catch most budget initiatives, and we can expect to see Supplementary Estimates (A) in the following month or so, typically late April.

What we are dealing with tonight is interim supply for the period April 1 to the end of June. This report is our first report on those Main Estimates. It is an interim report because of the way we handle supply. In not sending the bill itself to the committee, the committee starts its study before the supply bill reaches the Senate, and this report is our first comment on what we have seen in the Main Estimates.

This report is the document that I have moved honourable senators to consider. I will provide some of the highlights of this particular document.

The Main Estimates deal with the government's expense plan. The document outlines where the government expects to go and how much money it expects to spend over the year. Then we look at the next part of the document, which tells us how much of the document the government needs approval for, and that is the voted aspect. That is what honourable senators see in the supply bill. However, there are many other times that honourable senators have voted to give the government permission to spend money, and that permission is statutory. That information is in the estimates only for the purpose of understanding the full picture.

Honourable senators, in addition to all those documents and so we are not fully confused, the budget provides a five-year perspective. The fiscal framework of the government and the plan for expenditures is updated in a fall statement of the fiscal situation. We are now dealing with, in effect, the fiscal update from last fall that was given by the Minister of Finance because that update is what is reflected in the Main Estimates since the budget was not prepared in time to be included in the Main Estimates.

Honourable senators, the government's expense plan for this particular fiscal year is for an amount of \$278 billion. That compares to last year of \$248 billion. Honourable senators, that difference is an important point to keep in mind.

An Hon. Senator: Is that only for one year?

Senator Day: Honourable senators will know some of the makeup of this planned expenditure. The Standing Senate Committee on National Finance met, honourable senators, with the Treasury Board Secretariat. Treasury Board people appear and explain these documents to us. We could spend the entire year talking to them. We are provided with an overview by them, and then we bring in the President of the Treasury Board, the Honourable Stockwell Day, to talk with the committee. This report reflects both those meetings.

One point that was raised, and will require further investigation, is that last fiscal year, the fiscal equalization, or the amount of money that the federal government sends to the provinces, was \$16.1 billion. This year, the plan is to transfer to the provinces \$14.4 billion. Fiscal equalization is reduced by \$1.7 billion when the provinces are trying to set their budgets based on their predicted fiscal equalization amounts.

Honourable senators, it is true that Canada Health Transfer has increased by \$1 billion. The provinces are receiving more money for that portion of their budget, which is the health transfer. It is also true that the Canada Social Transfer has increased over the last year. If one adds up fiscal equalization, Canada Health Transfer and Canada Social Transfer, the figures are almost identical.

The area where the provinces and provincial ministers have flexibility, one that is not affixed to a particular activity, is fiscal equalization. Provinces can then use that money wherever they want in their budget. That figure has gone down by \$1.7 billion.

Honourable senators should be aware that the transfer to all other levels of government is \$53 billion. I give honourable senators these figures so they can understand the lack of flexibility that the government has. Program spending happens after the debt is paid for and after transfers take place. There are transfers to levels of government, but there are also transfers to people, which include old-age pension cheques and Employment Insurance. That transfer adds up to \$61.5 billion. That figure has gone up considerably, and honourable senators will understand why it has gone up. It is as a result of the decision that we made to approve the government's changes to Employment Insurance. More money by a considerable amount is going into Employment Insurance, but honourable senators will recall that initiative was sunsetted. By September 2011, the initiative will be terminated. Hopefully, those expenditures will then come down and we will not see the same \$55 billion deficit in two years that we see for this particular year.

My concern, honourable senators, is that when the two-year stimulus package was devised, senators will recall that in November, the Minister of Finance said, "We have no problem; we will have a surplus." We then prorogued and he came back to say we might have a bit of a deficit. That bit of a deficit is \$55 billion.

Over the prorogation period, a program for stimulus was devised. No one, not on this side or on that side, had any idea what we had to do to bring this economy around. We came up with a program called the "stimulus package" and we decided to run it over two years. This particular Main Estimates reflects, honourable senators, the second year. The question is, if we are told that the economy is starting to recover, was the plan that was devised over a year ago the appropriate plan for the coming year? Why would we assume that we had magic in our heads two years ago to enable us create a two-year program?

• (2120)

Honourable senators, I wish to draw to your attention an article from the Fraser Institute that says that the "... federal government's \$47.2 billion economic action plan contributed little to the country's economic turnaround in 2009 and will do more harm than good in 2010 ..."

The concern is that these Main Estimates reflect another \$20-billion stimulus package that was devised over a year ago. I will leave it to each honourable senator to decide whether you believe that we should continue down this road or whether we should not spend quite so much to reduce inflationary pressures.

I mentioned to you last week, honourable senators, that \$1.4 billion of the \$5 billion infrastructure program in the stimulus package was not spent last year. The government has reprogrammed it. In the fiscal year that begins in two days, we will be spending \$5 billion that was planned over a year ago plus another \$1.4 billion, while recovery is already happening with the \$3.6 billion that we spent last year. There is a problem building, and I do not want to be the one who told you that I said so.

Honourable senators, all of this is reflected in these tables and figures that we are providing to you so that, in the quiet of the evening, you can come to your own conclusions on where we are going with all of this documentation.

Mr. Stockwell Day gave one clear response and that is that \$1.8 billion more has been budgeted to service the public debt. Why would we want to do that? There are two reasons, honourable senators. Interest rates are going up because of inflationary pressures, as a result of spending too much government money, and our public debt has increased by \$55 billion in the last fiscal year.

No one is for or against; everyone wants to do the right thing. We want to analyze this and ensure that we are doing the right thing. Two years ago, we may have thought that we would like to see how it works. Now we have gone through a year and know how it works. Why are we fixed on continuing to do something that we put in place two years ago? We should be reconsidering this matter.

I want to bring one more point to your attention, and that is the oversight we have spoken about in the past. Many commentators have said that the civil service is practically paralyzed because of all the oversight.

When we passed Bill C-2, the Federal Accountability Act, we gave all deputy ministers the responsibility, as accounting officers, to manage their departments. We gave them that oversight and had people looking at them from every angle. In addition, the President of the Treasury Board, Stockwell Day, said that the departments' strategic reviews would continue. These accounting officers, who have the responsibility to manage their departments, will be subject to a strategic review by outside people. There will be reviews of government administrative functions and overhead costs, a new overhead review, a strategic review, and the continuation of the corporate asset management review, which I interpret to mean to sell off assets if you can and pay the lease fees on them. All of those things will be happening at the same time as the oversight is taking place that we put in place through legislation passed in the last two or three years. I am very concerned that if the ability of deputy ministers to do their work was not previously paralyzed it is getting perilously close to being so now.

Honourable senators, that is our preliminary look at the Main Estimates for 2010-11. We will continue our work. I wish to thank all honourable senators who sit on the National Finance Committee for agreeing to work on very short notice and outside our normal sitting times so that we could produce this report and be ready to deal with the two supply bills that are now before us.

[Senator Day]

Hon. Grant Mitchell: Honourable senators, it is a pleasure to listen to our colleague Senator Day, who has done a remarkable job for many years as a member of the committee and as its chair.

This report is further indication of the high standards of his work and that of that committee. It reveals a number of items that deserve emphasis, and I would like to take a few moments of your time to make some comments.

I am always struck by the contradictions in politics. One of the most aggressive contradictions is that Conservative governments espouse that they can manage economies and governments. They make this claim when there is much evidence to the contrary and no evidence to support such a claim.

I would like to spend a few moments with the facts and figures to dispel that myth with this Conservative government.

The most striking thing for me in this report is that this year, this government's fourth fiscal year, I believe, will see it spending \$278 billion. Four years ago, in the last year the Liberal government was in power, they spent \$200 billion. That means that this government, this hard-nosed, right-wing, "fiscally responsible government" — has actually increased spending by \$78 billion in four years.

It is worse than that because, of course, they inherited a \$12 billion surplus. They have actually turned the government's fiscal status around by \$90 billion. That is hard work. Imagine how much work they could do if they had a majority government and had more people to help them do it. You can hardly imagine that anyone can sign cheques that fast.

The other side of that coin — those many coins — is that \$78 billion is 39 per cent of \$200 billion. In less than four years, they have brought this government to a 39 per cent increase in expenditures. This hard-nosed, right-wing, fiscally tough "Conservative" government has increased spending by \$78 billion. That is 39 per cent. That is 10 per cent per year.

• (2130)

The government can say that the increase is all due to recession, but for the first year, there was no recession. There was not, and the government would not have acknowledged it even if there had been. That was \$32 billion. The first year, the government went from \$200 billion to \$232 billion. That is 16 per cent a year. Is that because they were rookies, or because they were so excited about having all that money to spend someone else's money? I do not know, but spend it they did in an unprecedented fashion that we have not seen in this country since probably Brian Mulroney. Is that a coincidence? I do not think so. There is probably some straight line on that particular fiscal irresponsibility continuum.

Again, honourable senators, the government will say that the \$78 billion is due to the recession, but \$32 billion was budgeted in the first year, so that spending was not due to recession, and a whole chunk of it this year is not recession. Do not tell us it is recession. It is all kinds of other things, but absolutely not recessionary expenditure.

Not only that, honourable senators, the recession began in April of 2008, which is revealing. That month is the first deficit month, and the Conservatives were barely two years in power, but it took only two years to go to deficit. I believe it took even Brian Mulroney longer than that. I do not know for sure, but it took him a while.

The government went to deficit in April of 2008. There was no sign of a recession then, and the government was already miring Canadians in a deficit for one reason alone: the Conservatives cannot manage government. I am not saying that — the figures are saying that. It is money here that is talking, and it is saying exactly that.

I emphasize that the increased spending is not a question of recession. It is a question of bad management. I have said this before and I will say it again about this whole idea that somehow Conservatives can manage economies. Do you know, honourable senators, that the biggest financial meltdown in the history of the world — it sounds like I am exaggerating, but I am not — was under a Republican government? I use that word loosely down there. The stock market consistently and significantly underperforms under Republican conservative presidents more than it does under Democratic governments. It is telling in that respect.

Then we come to Canada, and I will say it again. The government left us with a \$42 billion deficit. The Liberals gave the Conservatives a \$12 billion surplus. The Conservatives have created a \$56 billion deficit, and they are still cocky about that. They are still cocky about the fact that they have created that deficit, or they have not reduced their arrogance about that deficit despite the fact that it is at an untold level. It is unprecedented historically to have that deficit. That is an accomplishment.

People will remember that. That will be their legacy: the biggest deficit in the history of this government and this country. The Conservative government created it, and I do not think they are finished yet because I do not think they can manage properly. When I look at the projections for next year, I have no sense of confidence that the government will be able to manage it.

Let me go back one step. Do honourable senators know why we have a stimulus package? The government would not do it. Their Prime Minister already said we did not have a problem. They developed a stimulus package because they were pushed to the wall by the opposition to develop it. When they finally put the stimulus package together, as the Fraser Institute told them, they could not even do it right. The fact is, they did not know they

needed it, and when they ultimately did put it together, they could not do it right. That is because there is an ideological problem here: they hate government, they do not want to intervene, and when they do, they do not know how to do it. I have no confidence that they will learn overnight and make next year better. I hope, for the sake of the people of this country, that they do learn. However, when we look at the numbers, they tell us a powerful story. The government could not manage last year, or the two years before, and I do not think they will be able to manage in the year coming.

Some Hon. Senators: Hear, hear.

An Hon. Senator: Remember your vote.

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

Some Hon. Senators: Question.

Senator Banks: How did they do that?

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 and report adopted, on division.)

SCRUTINY OF REGULATIONS

FIRST REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Joint Committee for the Scrutiny of Regulations (*permanent order of reference and expenses pursuant to rule 104(2)*), presented in the Senate on March 25, 2010.

Hon. Yonah Martin moved the adoption of the report.

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

(Motion agreed to and report adopted.)

(The Senate adjourned until tomorrow at 2 p.m.)

CONTENTS

Monday, March 29, 2010

	PAGE		PAGE
SENATORS' STATEMENTS		National Security and Defence	
Saint Mary's University Huskies		Notice of Motion to Authorize Committee to Study Services and Benefits for Members and Veterans of Armed Forces and Current and Former Members of the RCMP, Commemorative Activities and Charter and Refer Papers and Evidence since First Session of Fortieth Parliament.	
Congratulations on Winning CIS Men's Hockey Championship.		Hon. Pamela Wallin	191
Hon. Wilfred P. Moore	189		
Nunavut Broadband Development Corporation			
Hon. Dennis Glen Patterson	189		
World Autism Awareness Day			
Hon. Jim Munson	190		
World War I			
Books of Reflection.			
Hon. Pamela Wallin	190		
National Aboriginal Achievement Awards			
Hon. Lillian Eva Dyck	190		
2010 Ford World Women's Curling Championship			
Hon. Donald Neil Plett	191		
<hr/>		<hr/>	
ROUTINE PROCEEDINGS		QUESTION PERIOD	
Environment		Delayed Answer to Oral Question	
User Fees Proposal for Canada's National Parks, Historic Sites and Marine Conservation Areas—Report Tabled and Referred to Energy, the Environment and Natural Resources Committee.		Hon. Gerald J. Comeau	192
Hon. Gerald J. Comeau	191		
Foreign Affairs		Status of Women	
Global Partnership Program—Fighting Terrorism and Weapons of Mass Destruction, 2007-09—Document Tabled.		Gender-Based Analysis Protocols	
Hon. Gerald J. Comeau	191	Question by Senator Mitchell.	
The Senate		Hon. Gerald J. Comeau (Delayed Answer)	192
Apology to Former Students of Indian Residential Schools—			
Notice of Motion to Resolve into Committee of the Whole to Hear from Representatives of Aboriginal Communities.			
Hon. Serge Joyal	191		
		ORDERS OF THE DAY	
		Appropriation Bill No. 5, 2009-10 (Bill C-6)	
		Second Reading.	
		Hon. Joseph A. Day	193
		Hon. Terry M. Mercer	194
		Hon. Jean Lapointe	194
		Appropriation Bill No. 1, 2010-11 (Bill C-7)	
		Second Reading.	
		Hon. Joseph A. Day	195
		Criminal Code (Bill S-2)	
		Bill to Amend—Second Reading.	
		Hon. Marie-P. Poulin	196
		Referred to Committee	198
		The Estimates, 2010-11	
		Main Estimates—Third Report of National Finance Committee	
		Adopted.	
		Hon. Joseph A. Day	198
		Hon. Grant Mitchell	200
		Scrutiny of Regulations	
		First Report of Joint Committee Adopted.	
		Hon. Yonah Martin	201



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