



CANADA

Debates of the Senate

1st SESSION

•

39th PARLIAMENT

•

VOLUME 143

•

NUMBER 12

OFFICIAL REPORT
(HANSARD)

Wednesday, May 10, 2006



THE HONOURABLE NOËL A. KINSELLA
SPEAKER

CONTENTS

(Daily index of proceedings appears at back of this issue).

Debates and Publications: Chambers Building, Room 943, Tel. 996-0193

Published by the Senate
Available from PWGSC – Publishing and Depository Services, Ottawa, Ontario K1A 0S5.
Also available on the Internet: <http://www.parl.gc.ca>

THE SENATE

Wednesday, May 10, 2006

The Senate met at 1:30 p.m., the Speaker in the chair.

Prayers.

SENATORS' STATEMENTS

QUESTION OF PRIVILEGE

NOTICE

Hon. Pierrette Ringuette: Honourable senators, pursuant to rule 43(7) of the *Rules of the Senate*, I give notice that I will raise a question of privilege with respect to misleading statements made by the Leader of the Government in the Senate on May 3, 2006. I am prepared to move a motion calling upon the Senate to take action in respect of the matter that will be raised.

[Translation]

THE RIGHT HONOURABLE ANTONIO LAMER

Hon. Andrée Champagne: Honourable senators, we were very distressed to learn last week that the Right Honourable Antonio Lamer has had to abandon his current position as Chair of the Governance Review Panel of the Canadian Medical Association Journal. The former Chief Justice of the Supreme Court, until January 6, 2000, is apparently again suffering serious health problems.

You will no doubt wish to join me in sending our most positive thoughts in his direction, together with our prayers.

Antonio Lamer is an old friend. Friends introduced me to the future judge in the fall of 1956, nearly 50 years ago. He was preparing for the bar admission exams, which he passed a year later. That same year, 1957, I won the prize, young actress that I was, as the discovery of the year. It was Antonio Lamer who accompanied me that memorable evening. At the time, the gossip sheets in Montreal made much of the couple that had caught the public eye.

Then we went our separate ways. Antonio Lamer was only 36 in 1969 when he was appointed to the superior court. Two years later, he was a member of the Canadian Law Reform Commission, which he went on to chair in 1976.

In 1978, he was appointed to the Quebec Court of Appeal and, in 1980, the Supreme Court of Canada. Ten years later, Brian Mulroney appointed him Chief Justice. He had reached the highest position a lawyer can dream of. His career plan was a complete success.

Even though our paths no longer crossed, I was always proud to say after each of these increasingly impressive appointments, without wanting to brag, "I knew him well".

A few years after I arrived on the Hill, when I was the Deputy Speaker of the green chamber, it was my task to present myself at the door of the Senate to seek Royal Assent for a number of bills. As happens from time to time, the Governor General was replaced that day by a puisne judge of the Supreme Court.

To my great delight, I found myself before Justice Lamer. Here was the person we had once upon a time called, simply, Tony and who had become His Lordship. We had good fun at the little reception that follows the ceremony.

Antonio Lamer is a workaholic. He never loses his sense of humour. After his heart problems, he apparently took pleasure in saying, "My heart stopped, but I appealed my case". Let us hope that once more his arguments may be heard and that he will be granted another stay, for his benefit and ours.

Perhaps His Lordship will allow me today to hope that he will recover quickly and will again do me the honour of sharing a good meal. I am sure that all of you, honourable senators, will want to join me in offering him our best wishes for a speedy recovery and long life.

• (1340)

[English]

THE HONOURABLE SANDRA LOVELACE NICHOLAS

CONGRATULATIONS ON RECEIVING HONORARY DEGREE

Hon. Rose-Marie Losier-Cool: Honourable senators, I rise today to congratulate Senator Sandra Lovelace Nicholas on receiving an honorary degree from one of her alma maters, St. Thomas University in Fredericton, this past Monday.

We all know of our honourable colleague's long-standing reputation as an efficient human rights activist and as an irreplaceable beacon for her sisters from the First Nations. A member of the Order of Canada and a recipient of a number of human rights awards, she remains today just as modest and hard working as ever, something that many senators, I am sure, have noticed.

I was honoured to have been her sponsor in the Senate.

She might blush too furiously if I go on. I shall simply close by asking honourable senators to join me in congratulating Senator Lovelace Nicholas on her latest honour.

FIBROMYALGIA AND CHRONIC FATIGUE SYNDROME NATIONAL AWARENESS DAY

Hon. Wilbert J. Keon: Honourable senators, I rise today on behalf of the estimated 1 million Canadian men, women and children who suffer from fibromyalgia and chronic fatigue syndrome. Tomorrow, May 12, is National Awareness Day for Fibromyalgia and Chronic Fatigue Syndrome.

Fibromyalgia means aching, throbbing, shooting and stabbing pain in the muscles, ligaments and tendons. Most patients say that they ache all over. It afflicts more women than men but shows up in people of all ages.

Five hundred cases appear weekly, totalling more than 30,000 per year, costing Canadian taxpayers about \$3.5 billion in disability insurance benefits annually. Approximately \$1.2 billion is spent per month on medication and \$0.3 billion on physician fees; but this does not include the medication and therapies that are not reimbursed, legal fees, lost wages due to the inability to work and lost savings, which are needed to fund treatment not covered by provincial health care plans.

It is estimated that approximately 20 per cent of the population is unable to work due to this condition, but the number is likely higher. If this number is actually 40 per cent, federal costs would double from \$3.5 billion to \$7 billion per year.

There is no known means to avoid the illness. There is no known cause. There is no known cure.

Honourable senators, I hope you will join with me in pressing for more research into this condition until some answers are found. Let us all join in the support of these people who are suffering so hopelessly.

ALBERTA

LETHBRIDGE—ONE-HUNDREDTH ANNIVERSARY

Hon. Joyce Fairbairn: Honourable senators, yesterday I missed our session here in the Senate because I was away in Lethbridge, Alberta, celebrating the one-hundredth birthday of my hometown, of which I am so proud.

Our forefathers and mothers had the vision to settle in what I believe is the most beautiful corner of Canada, first beginning as Fort Whoop Up, surrounded on one side by the prairies and the other by the banks of the Oldman River Valley, rolling into beautiful foothills and glorious mountains — even the wind is special.

It was a terrific celebration. For days, thousands came out for picnics in the park, outdoor concerts and the grand opening of the expansion of our outstanding Galt Museum, formerly the hospital in which I was born.

Looking out across the river valley, that museum holds the memories of our beginnings, including our continuing friendship with the Blood Tribe of the Blackfoot Confederacy, the reminders of the coal industry on which we were built and the extraordinary high level bridge, the longest and tallest of its kind in the world, which guided the railways and our products and people to and from the outside.

It also holds the memories of the arrival of our Japanese citizens who were, sadly, forced over the mountains from British Columbia during World War II into our small, rural communities and succeeded in making all of us ever stronger and wiser.

Although 1906 is a long way back, in historic terms Lethbridge is a young and dynamic city. Those who came there were seeking a new life, a haven from fear and violence and a chance for a prosperous future, no matter how tough these beginnings were.

My grandfather was one of those pioneers. A frontiersman, a stagecoach driver and a merchandiser, he came in 1898 from North Battleford, Saskatchewan to set up a general store. One hundred years ago he became the first sheriff of Lethbridge who, I am told, still had the power to call up a mounted posse, if necessary.

Throughout those years we have been blessed with visionary leaders, a military presence, strong workers, outstanding farmers, innovative industries, extraordinary educators in our schools, college and university, a culture of arts, theatre and music, a broad variety of religions, first class hospitals and always good civic government and a constantly growing population of loyal citizens from every corner of the world.

I cannot adequately express my pride in being able to serve that corner of our country as a senator in the Canadian Parliament and I am sure that I share with each one of you in your commitment to your home and your Senate.

[Translation]

OFFICIAL LANGUAGES COMMISSIONER

Hon. Claudette Tardif: Honourable senators, yesterday the Commissioner of Official Languages, Ms. Dyane Adam, submitted her annual report. Her term will soon expire. I would like to take this opportunity to thank Ms. Adam for the excellent work she has done over the past seven years.

Minority official language communities have found in the commissioner an important ally. The Commissioner of Official Languages' latest report looks to the future, offering a number of benchmarks and suggesting areas for renewal. In her report, the commissioner highlights how important the adoption of Bill S-3, proposed by our former colleague, the Honourable Jean-Robert Gauthier, was for communities.

She emphasizes that Bill S-3 will have an impact on the relationship between the government and communities, and that federal institutions will have to integrate their new obligations into their organizations.

She recommends that the President of the Treasury Board address the issue of regulation, specifically, that he modernize the Official Languages Regulations — Communications with and Services to the Public, and that he examine the relevance of adopting new regulations that aim to specify the implementation of the obligations set out in other parts of the Official Languages Act, particularly Parts V and VII.

[English]

The commissioner's report invites official language minority communities, the federal government and its institutions as well as all Canadians to a better dialogue to support and promote

linguistic duality as a core Canadian value in our country. In particular, the commissioner recommended that the Minister of Official Languages:

...initiate a dialogue with the various stakeholders in Canadian society to identify the measures to take in order to fully integrate the fundamental values of linguistic duality and cultural diversity into our governance models and derive the full benefits that flow from them.

[Translation]

Honourable senators, as defenders of minorities, and given that linguistic duality was not mentioned in the last budget, we have to ensure that the government's commitment to increasing federal accountability also extends to official languages.

Honourable senators, please join me in thanking the commissioner for seven years of hard work.

• (1350)

[English]

VISITORS IN THE GALLERY

The Hon. The Speaker: Honourable senators, before proceeding to Routine Proceedings, I should like to draw your attention to the presence in the gallery of a group of students from the Baddeck Academy, in Nova Scotia, who are the guests of Senator Forrestall.

On behalf of all honourable senators, I welcome these students and trust that they are finding instructive their visit to the Parliament of Canada and to this chamber.

[Translation]

ROUTINE PROCEEDINGS

BANKING, TRADE AND COMMERCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO STUDY PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT

Hon. Gerald J. Comeau (Deputy Leader of the Government): I give notice that, at the next sitting of the Senate, I will move:

That the Standing Senate Committee on Banking, Trade and Commerce be authorized to undertake a review of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (S.C. 2000, c. 17) pursuant to section 72 of the said Act; and

That the committee submit its final report no later than September 28, 2006.

[English]

CANADIAN-NATO PARLIAMENTARY ASSOCIATION

NATO PARLIAMENTARY ASSEMBLY,
NOVEMBER 11-15, 2005—REPORT TABLED

Hon. Jane Cordy: Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the delegation of the Canadian-NATO Parliamentary Association respecting its participation in the Fifty-first annual session of the NATO Parliamentary Assembly held in Copenhagen, Denmark, November 11-15, 2005.

[Translation]

ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

BUREAU MEETING, FEBRUARY 2-4, 2006—
REPORT TABLED

Hon. Pierre De Bané: Honourable senators, pursuant to rule 23(6), I have the honour to table in the Senate, in both official languages, three reports of the APF.

First, the report of the Canadian delegation of the Assemblée parlementaire de la Francophonie, respecting its participation at the Bureau Meeting of the APF, held in Noumea, New Caledonia from February 2 to 4, 2006.

EDUCATION, COMMUNICATION AND CULTURAL
AFFAIRS COMMITTEE, MARCH 21-22, 2006—
REPORT TABLED

Hon. Pierre De Bané: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation of the Assemblée parlementaire de la Francophonie, respecting its participation at the Education, Communication and Cultural Affairs Committee of the APF, held in Antananarivo, Madagascar, on March 21 and 22, 2006.

CONFERENCE OF PRESIDENTS OF THE AMERICAS
REGION, MARCH 22-23, 2006—REPORT TABLED

Hon. Pierre De Bané: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation of the Assemblée parlementaire de la Francophonie, respecting its participation at the Conference of Presidents of the Americas Region, held in Augusta, Maine, on March 22 and 23, 2006.

CO-OPERATION AND DEVELOPMENT COMMITTEE,
MARCH 14-16, 2006—REPORT TABLED

Hon. Rose-Marie Losier-Cool: Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the Canadian delegation of the Assemblée parlementaire de la Francophonie, respecting its participation at the Co-operation and Development Committee, held in Delémont, Jura, from March 14 to 16, 2006.

[English]

CANADA-EUROPE PARLIAMENTARY ASSOCIATION

OSCE PARLIAMENTARY ASSEMBLY,
FEBRUARY 23-24, 2006—REPORT TABLED

Hon. Consiglio Di Nino: Honourable senators, pursuant to rule 23(6), I have the honour to table in the Senate, in both official languages, the report of the delegation of the OSCE Canada-Europe Parliamentary Association, respecting its participation in the Winter Session of the OSCE Parliamentary Assembly held in Vienna, Austria, February 23 and 24, 2006.

INTERNATIONAL ELECTION OBSERVATION MISSION
TO UKRAINE, MARCH 26, 2006—REPORT TABLED

Hon. Consiglio Di Nino: Honourable senators, pursuant to rule 23(6), I have the honour to table in the Senate, in both official languages, the report of the delegation of the OSCE Canada-Europe Parliamentary Association, respecting its participation in the International Election Observation Mission of March 26, 2006, parliamentary elections in Ukraine.

[Translation]

QUESTION PERIOD

PUBLIC WORKS AND GOVERNMENT SERVICES

CULTURAL INFRASTRUCTURE PROGRAM

Hon. Serge Joyal: Honourable senators, I will address my question to Senator Fortier. This is my first opportunity to address Senator Fortier and I would like to congratulate him on his appointment to the Senate. We are pleased to have him among us as a fellow senator, especially one representing the Montreal area.

I would like to speak to him as minister responsible for the strategic infrastructure program, which was established by the previous government and was confirmed in last week's budget, with a global envelope of \$5.5 billion.

As the minister responsible for the Montreal area, you must know that cultural infrastructure plays a strategic role in the economic development of Montreal, employing more than 100,000 people and helping to create economic benefits totalling \$5.5 billion.

However, at noon yesterday, during the Board of Trade of Metropolitan Montreal monthly luncheon, the president of the Conseil des arts de Montréal, Mr. Maurice Forget, stated:

Toronto has taken over what used to be Montreal's lead in cinema, visual arts and opera.

Could the honourable senator tell us what measures he intends to take, as a Montrealer and as minister responsible for infrastructure programs, in order to ensure that this gap is closed so that Montreal can compete on an even playing field with

other large Canadian cities, particularly in the areas mentioned, namely, cinema, visual arts and opera?

Hon. Michael Fortier (Minister of Public Works and Government Services): Honourable senators, I thank Senator Joyal for this question. I must first correct one point: I am not the minister responsible for that infrastructure program. But, with your permission, I will answer the question because I feel that it has a broader connotation regarding our government's support for the cultural sector.

• (1400)

You will have noted, and I believe that the newspapers reported the comments made by people very close to the Canada Council and Culture Montréal, that the 33 per cent increase announced in our recent budget for the Canada Council's base funding was very, very well received. Of course, this 33 per cent increase is equivalent to \$50 million over two years. It will have significant benefits for Quebec because the way in which the Canada Council distributes the money gives Quebec more than 35 per cent of this budget for cultural agencies in Quebec, including of course cultural agencies based in Montreal.

This is an excellent step by Mr. Harper's government to support Canada's cultural community in general; indirectly, the cultural community in Quebec and especially in Montreal welcomed the news.

Senator Joyal: With all due respect, the honourable senator did not answer my question, which is about infrastructure. The Canada Council budget provides operational support for cultural agencies. It does not provide capital funds. The cultural infrastructure program can include a major capital component. The proof is that seven of the largest theatre, dance and opera companies — and some museums — in Toronto received money from the previous infrastructure budget and put it toward remarkable development. Far be it from me to criticize Toronto. They have invested in their plans and their future. I am talking about cultural infrastructure in Montreal.

Yesterday, at the same conference, the president of the Canada Council complained that the theatre district in Montreal needs major investments in projects that urgently require capital funding. This includes the project to expand the Montreal Museum of Fine Arts, which the senator knows well, and the concert hall that has been talked about in Montreal for 25 years. I am talking about capital funding, and I would like the minister to tell us what sort of leadership he is going to provide so that these cultural infrastructure projects can move ahead and have a positive outcome in the coming months.

Senator Fortier: I reiterate that I appreciate the honourable senator's question. I repeat that this fund is not my department's responsibility. I will take note of it and discuss the matter with the minister responsible for the fund, Mr. Cannon.

I want to assure you that, as minister responsible for the Montreal region, if requests for cultural infrastructure projects were to be made here in Ottawa, requiring support through this fund, you would find an intervenor from Montreal who is very interested in supporting cultural infrastructure projects.

MONTREAL—SUPPORT FOR CULTURAL
INITIATIVES AND TOURISM

Hon. Céline Hervieux-Payette: Honourable senators, my question is for Senator Fortier, minister responsible for the metropolis. I will take advantage of my first question for the senator to congratulate him on his appointment and especially to tell him that we are counting on him. My question is along the lines of that of my colleague; we would like to adopt Senator Fortier with regard to promising projects for Montreal.

Can the minister and senator assure us that he will respect the priorities of the Montreal community? Will he be the sponsor vis-à-vis the government of a promising project for Montreal? The Montreal Chamber of Commerce, Tourisme Montréal, and the provincial and municipal authorities support the development of the Old Port facilities with a budget of \$215 million over a 10-year period, including approximately \$170 million for federal facilities, or less than half of the \$400 million that was invested in Toronto's harbourfront?

Hon. Michael Fortier (Minister of Public Works and Government Services): Honourable senators, I thank the senator for her question. On several occasions, I have met with representatives of the Chamber of Commerce, the Société du Havre and other groups that want to promote various projects and infrastructures in the greater Montreal area.

I assured them of my support to see certain projects through. It must be understood — and I know you all understand this — that not all of these projects can be completed. It is important to prioritize them. That is why I want to talk about culture.

I know that, as a Montrealer, you are interested in culture, and that last week's victory meant a lot. For the past eight years, the Canada Council's budget had been frozen by the previous government. Last week, the government allocated \$50 million to the Canada Council for the Arts, more than a third of which will be spent in Quebec, mostly in the greater Montreal area.

Senator Hervieux-Payette: I am pleased that the cultural sector is doing so well. However, we need somebody to champion Old Port development projects that will highlight the heritage value of this several-hundred-year-old site. That person must improve the port facilities that serve both American visitors and Ontarian visitors coming from the Great Lakes. He must enable more than 7 million visitors from across Canada and around the world to take advantage of facilities that will give them access to the St. Lawrence River.

My question is very specific. Since this is a priority for Montreal stakeholders, will the minister champion the cause of improving Old Port facilities?

Senator Fortier: I am aware of the excellent report prepared by your colleague and the former premier of Quebec. This excellent report suggests several very interesting projects and appears to indicate a consensus on some projects. I would like to congratulate Senator Fox for the considerable work and effort he put into preparing this report with former Premier Bouchard.

I wanted to emphasize that, in our first 100 days, I managed to make progress on a file that is very important for the Montreal area. As you know, culture in Montreal translates into tens of thousands of jobs throughout Quebec, but mainly in Montreal. Creativity is important to Montrealers. The first people I met from the Chamber of Commerce told me: "Mr. Fortier, you must ensure that the arts community receives additional funding." We delivered the goods.

I ask you to give me some time with the other projects — including those you mentioned — to try to establish a consensus, first in Montreal and, then, in the province of Quebec. I will try to be the champion for them in Ottawa.

Hon. Lise Bacon: Honourable senators, my question is for the minister responsible for the metropolis. The minister is well aware that Montreal is known as the city of festivals.

The Montreal International Jazz Festival and the Just for Laughs festival received considerable financial support from the Canadian government when they were first launched and now make a significant cultural and economic contribution.

I do not want the Leader of the Government in the Senate to bother the minister, since she is allowing him to answer for once. I repeat. They make a significant economic contribution and are a key tourist attraction. Given the importance of these major events for Montreal, can the minister assure us that, in response to requests from the arts community, he plans to restore federal contributions to a level that will allow these festivals to remain competitive internationally in terms of quality?

Senator Fortier: Honourable senators, I thank Senator Bacon for her question. I know her to be an avid patron of the arts. I saw her recently at a premier of *Cavalia*, in Laval, where we both thoroughly enjoyed the performance. I attend these Montreal festivals.

• (1410)

I spend my weekends in Montreal and I find it important that we continue to support these festivals which, as you indicated, not only draw hundreds of tourists, but also make us extremely proud as Quebecers and Montrealers. As you probably know, senator, these organizations have made applications, mainly to my colleague at Canadian Heritage, but I have also been asked to make sure that funding is made available to them in the near future to ensure that such festivals can continue and flourish. You can count on me to be their spokesperson in Ottawa.

Senator Bacon: Honourable senators, both levels of government provide tax credits for film and television production. Given that the Government of Quebec also provides a tax credit for producing live shows, could the minister responsible for the metropolis make recommendations to his colleague at Finance, suggesting that his government follow the good example of the government in Quebec and also provide a tax credit for productions such as the Just For Laughs festival and the Jazz Festival, which would ensure their sustainability as some of the best festivals in the world? That is what matters to them.

Senator Fortier: I appreciate the suggestion. It is noted, and I will convey it to my colleagues.

DAVIE SHIPYARDS

Hon. Dennis Dawson: Honourable senators, Mr. Minister, as a native of the Quebec City area, you are no doubt aware of the saga of the controversial Davie shipyard, its operations, its future and its survival. As the Minister of Public Works, involved in partnerships with the leading dry dock facilities in Eastern Canada, what are your intentions as regards its potential dismantling and the sale of its assets?

Hon. Michael Fortier (Minister of Public Works and Government Services): Honourable senators, I know that you are familiar enough with the responsibilities of ministers in Ottawa to know that the Davie Shipbuilding yard, which I know well, having grown up right across from it, does not fall under the purview of my department. I have read in the papers and I am saddened to learn that it might be going into liquidation. I hope that the company's liquidation can be avoided through some long-term solution and that its order book will be filled with projects that will create jobs for people in the area.

Senator Dawson: Honourable senators, I have a supplementary. In the coming years, your department will be required to administer many calls for tender for frigates, re-provisioning, and so on, which will require a dry dock the size of the one in the Davie shipyard, but it will probably have been dismantled. How do you foresee handling this shortage of equipment in Eastern Canada to ensure real competition? Could you confirm that shipyards will be excluded from the free trade agreement with Korea?

Senator Fortier: Honourable senators, Senator Dawson is right. The Department of Public Works plays an important role in supplying these parts for National Defence, but the Department of Public Works comes into play only once the Minister of Defence and the cabinet have approved the assets the minister and the cabinet wish to purchase.

However, should these assets include components or parts that could be built in shipyards, yours or others elsewhere in Canada, you will find a champion who will ensure that these orders are filled by these shipyards, so long, of course, as commercial terms that are advantageous to Canadian taxpayers can be agreed upon.

INDUSTRY

AID TO MANUFACTURING SECTOR

Hon. Jean-Claude Rivest: Honourable senators, I would like to welcome Senator Fortier, the Minister of Public Works and Government Services. However, my question is not directed to him but to the Leader of the Government in the Senate.

The manufacturing sector in Canada is under considerable duress because of the phenomenon of globalization and, specifically, competition from countries in Southern Asia and India. In Quebec, for example, nearly 10,000 jobs have been lost in sectors such as furniture and textiles. In the most recent election campaign, the Right Honourable Prime Minister did not include or did not mention the very serious problem of the entire Canadian economy among his five priorities.

Unfortunately, just a passing mention was made of this matter in the throne speech. In the budget, there was one important measure, we must admit, and that was the mention of capital gains, which may certainly help the manufacturing sector, which is experiencing difficulty due to competition. Nevertheless, this issue has not yet been broached by the new government. In Quebec, as in the rest of Canada, union and business leaders decried this failure and are asking the government, and the Minister of Industry and Trade in particular, for a policy and an attitude. Is the minister able to inform this house of the status of work or decisions that the government is preparing to take to assist businesses, in particular small, and medium-sized businesses which are much more vulnerable than large ones with the means to merge and to compete?

[English]

Hon. Marjory LeBreton (Leader of the Government): I thank Senator Rivest for that question. There is no doubt that some small manufacturing and mid-sized manufacturing industries in the country are experiencing difficulty. Measures were taken in the budget to begin to address the problem, although undoubtedly other measures will have to be taken. In Budget 2006 that Minister Flaherty delivered on May 2, he took important action to provide a tax advantage to Canadian manufacturing and business more generally. The budget takes immediate action by lowering the small business income tax rate and increasing the amount of small business income eligible for the reduced federal tax rate.

As the honourable senator mentioned, we are eliminating the capital tax on corporations in 2006, which will improve the business climate and help to generate further investments. There will also be an increased investment in infrastructure, including the new \$2.4 billion Highway and Border Infrastructure Fund, which will help trade and the manufacturing sector.

[Translation]

Senator Rivest: The measures and provisions just mentioned by the minister will help. In this area and with regard to this problem, the minister was associated with the former government when the free trade agreements were negotiated. The Canadian government is very aware that one-time or specific measures that may be taken will be insufficient unless there is coordination, as there was at the time of the establishment of free trade and NAFTA, with the set of measures and provisions adopted by provincial governments, in particular to assist small, and medium-sized businesses, regional development and professional training. Would the minister suggest or indicate to her colleague at Industry and Trade and to the other ministers involved in this matter that it is very important and urgent to convene a meeting in order to promote a comprehensive and decisive approach to counter the numerous, unfortunate job losses engendered by this situation?

[English]

Senator LeBreton: Honourable senators, I would certainly be happy to make representations to the other ministers.

With regard to small business, I do believe that our government has made a good start. The President and CEO of the Canadian Manufacturers and Exporters Association said this about the budget: "This is encouraging. Much better for business than we have seen for the last five years."

Another part of my answer, which I could have given earlier, was that other investments will also help the manufacturing sector. We are investing \$303 million over two years to build a secure and trade-efficient border that relies on technology, information sharing and biometrics. To the specific question that the honourable senator raised about having ministers engage each other — not only ministers from the province of Quebec but also from the province of Ontario, because there are quite a number from Ontario as well — I would be most pleased to make representations to the minister, not only on behalf of the honourable senator but also on behalf of all our colleagues.

• (1420)

[Translation]

PUBLIC WORKS AND GOVERNMENT SERVICES

NEW RCMP HEADQUARTERS—BIDDING PROCESS

Hon. Francis Fox: Honourable senators, my question is for the Minister of Public Works and Government Services. After a jaunt to Montreal and Lévis, I would like to bring him back to the National Capital Region.

Yesterday evening, the minister explained his basic philosophy about carrying out his department's mandate and the tone he wants to give his department, and I quote:

We will...promote fairness, openness and transparency in the bidding process.

This morning, we read on the front page of the *Ottawa Citizen* that his government and his department have decided to move the RCMP into space previously occupied by JDS Uniphase. Nowhere does the article say anything about a bidding process. Can the minister assure us that there was a bidding process and, if not, why not?

Hon. Michael Fortier (Minister of Public Works and Government Services): Honourable senators, I thank the senator for his question. There is a very large team at Public Works that handles relocations of government employees, especially moves in Ottawa. This team is very knowledgeable about vacancy rates in Ottawa and the buildings available, depending on the number of square feet and the space required.

With respect to the case you mentioned, I think you will agree that the article described the situation particularly well. You were on the other side of this chamber when the government had the opportunity to acquire this building several years ago for what I know you will agree was a reasonable price. The government chose not to acquire it. Today, the RCMP's needs in terms of human resources and equipment are forcing it to move because the government's estimated costs to renovate the current RCMP building and to provide the RCMP with state-of-the-art equipment would practically exceed the cost of moving. The

department thought it should find a new home for the RCMP, and the JDS campus was available. If your government had bought it three years ago, it would have got a steal of a deal. Your government chose not to buy it. Even in today's real estate market, this move is a good deal for Canadians. The transaction has not yet been finalized, but we signed a letter of intent with the owner. Once the transaction has been finalized — and I hope it will be — Canadian taxpayers will find that we negotiated a very good deal for them despite the fact that your government could have bought the building, as you know, for much less a few years ago but chose not to do so.

BIDDING PROCESS FOR NEW PROJECTS

Hon. Francis Fox: Last night, we discussed the distribution of office space and government employees on either side of the Ottawa River. We are indeed talking about 900,000 square feet and 1 million square feet, which represents a difference of approximately 1 per cent. This means that 1 million square feet more would be going to the Outaouais side, making the ratio 76/24, and not 76/23, as you indicated last night.

Is the minister prepared to direct his department, in the event of any new potential moves of employees or new capital expenditures, to solicit bids, because, as a general rule, the bidding process is open to everyone in the National Capital Region? This could mean cost savings to the government of approximately 25 per cent in the Outaouais area.

Hon. Michael Fortier (Minister of Public Works and Government Services): Thank you for your question. Whenever we think of moving large numbers of employees, particularly in the RCMP, specific needs have to be taken into account. I will repeat what I said last night. I hope that, during my time at Public Works and Government Services Canada, as short or long as it may be, I will be able to bring us closer to that 75/25 target set more than 25 years ago and which we support.

However, for this percentage to be brought up to 25, there has to be space available across the river to accommodate the type of operations conducted by the RCMP.

As I said last night — and I will repeat it today — I am currently looking at various options involving either moves or new construction to ensure a proper rebalancing of this 75/25 ratio.

[English]

NATIONAL DEFENCE— RELOCATION OF HEADQUARTERS

Hon. J. Michael Forrestall: Honourable senators, my question is directed to either the Minister of Public Works and Government Services or the Leader of the Government in the Senate, whichever one would care to respond.

The issue of the JDS Uniphase building has been around for a long time. There have been many pots boiling with respect to it and I have never once seen a bidding process even remotely considered.

This circumstance leaves the Department of National Defence in the nation's capital looking for a great deal of space within the National Capital Region while taking into account the accommodation of municipalities, the problem of cross-city transportation and, above all, getting DNDHQ out of downtown Ottawa. Is any progress being made on this issue?

Hon. Michael Fortier (Minister of Public Works and Government Services): I want to ensure that honourable senators understand that the transaction that was referred to in the papers this morning is not yet finalized. It is a memorandum of understanding. I am hoping that we will come to final terms with the owners of the JDS Uniphase building. When we do, we will obviously inform the public.

With respect to potential moves of departments, as senators know, we at the Department of Public Works are very much the back office of the state. We come into play once a department informs us that they wish to relocate. They use our services in order to find a new home. When and if DND or another department chooses to relocate, we will try to assist in relocating them.

THE ENVIRONMENT

CLEANUP OF SYDNEY TAR PONDS

Hon. Terry M. Mercer: Honourable senators, the Sydney tar ponds is one of the worst environmental disasters in Canada, an unfortunate legacy of past practices of the industrial age. In the budget of 2004, the Liberal government provided up to \$500 million to support the remediation of contaminated areas such as the tar ponds in Sydney, Nova Scotia. Out of this, the Liberal government committed \$280 million toward the \$400-million federal-provincial agreement to clean up these notorious ponds. This year's budget of the new Conservative government seems to have gutted all funding for environmental policies, including the Sydney tar ponds. The new government seems to be suffering from environmental cleanup "interruptus" with no mention of the important funding for the cleanup.

My question is directed to the Minister of Public Works. Who will tell the residents of Sydney, Nova Scotia, that they will have to wait even longer for the cleanup to be completed because of the Conservative funding "interruptus" and the pullout of funding from the tar ponds?

Hon. Marjory LeBreton (Leader of the Government): I thank the honourable senator for that question. The tar ponds are still in the sad state that they have been in for the last 13 years. I will take the question as notice.

PUBLIC WORKS AND GOVERNMENT SERVICES

CLEANUP OF SYDNEY TAR PONDS

Hon. Terry M. Mercer: Honourable senators, the previous government not only allocated funds in the budget I mentioned a moment ago but also allocated a further \$300 million in the Liberal budget of 2005 to enrich the Green Municipal Funds, half

of this amount to be targeted to the cleanup of brown fields like the Sydney tar ponds. This was on top of the hundreds of millions of dollars previously allocated in the budget of 2004, which I mentioned earlier, and after years of belt-tightening by Canadians to get our financial house in order.

• (1430)

After years of neglect by the Mulroney government, it seems the new Harper government will slowly spend its way into the Mulroney legacy while ignoring the needs of ordinary Canadians, including the good people of Sydney.

Again I ask the minister: Who will tell the people of Sydney why funding has not been promised for this cleanup, or will this be turned over to the Minister of the Environment? Does she have to go to Sydney to tell them? Does the regional minister, Minister MacKay, when he is back in the country, have to go to Sydney to tell them, or has Peter MacKay let down the people of his own province? Will it be left to us to tell the people of Sydney that, again, Peter MacKay has let down the people of his own province? Will the Harper government continue to act in secret and cut funding to more programs affecting Canadians?

Hon. Michael Fortier (Minister of Public Works and Government Services): I thank the honourable senator for his question. I was interested in the fact that the honourable senator said the people of Sydney wanted to know. I think they do know. Perhaps the honourable senator will allow me to read verbatim an answer that was given in the other House last week to this exact question by my parliamentary secretary, who said:

Mr. Speaker, cleaning up the Sydney tar ponds is an issue of importance to all Nova Scotians.

The Government of Canada is working with the Province of Nova Scotia and is committed to the cleanup project.

The Government of Canada will contribute up to \$280 million, in concert with the Nova Scotia government which is contributing \$120 million... the project is going forward as planned and we will ensure that the Sydney tar ponds are cleaned up for Cape Bretoners, Nova Scotians and all Canadians.

Some Hon. Senators: Hear, hear!

POINTS OF ORDER

Hon. Joan Fraser (Deputy Leader of the Opposition): Honourable senators, I rise on a point of order.

A moment ago, Your Honour, the Minister of Public Works and Government Services said that he intended to quote from a speech given by his parliamentary secretary in the House of Commons, and proceeded to do so at some length. As I understand it, parliamentary secretaries are not ministers of the Crown. Rule 46 of the *Rules of the Senate* states, in part, that it is out of order to quote from the contents:

...of a speech made in the House of Commons in the current session...unless it be a speech of a Minister of the Crown in relation to government policy.

Therefore, we have a pretty clear infringement of the rules, if Your Honour agrees.

Hon. Anne C. Cools: Honourable senators, Senator Fraser has placed before the Senate the substance of rule 46, of which most of us veterans here are aware. However, Senator Fortier is new in two ways. He is a new senator. In addition, he is a new minister. Rule 46 of the *Rules of the Senate of Canada*, where the margin notes read “Quoting Commons speech,” states:

The content of a speech made in the House of Commons in the current session may be summarized, but it is out of order to quote from such a speech unless it be a speech of a Minister of the Crown in relation to government policy. A Senator may always quote from a speech made in a previous session.

An Hon. Senator: It was not a speech.

Senator Cools: Will you let me do this, boys, or not? Fine.

Honourable senators, I am trying to say that this particular minister, Senator Fortier, is new to this chamber. If the game is “who can talk louder,” I might have to oblige the boys down there.

In any event, honourable senators, it is clear that Senator Fortier made a mistake, but there has been no intention.

If any of those foghorns over there wish to speak, I invite them to take the floor, get on their feet and speak, and I will be happy to yield to them. Go ahead and speak and I will speak afterward because I know they will say nothing.

Some Hon. Senators: Oh, oh.

The Hon. the Speaker: Order. The Speaker has likely heard enough on this point of order. I recognize Senator Fortier.

Hon. Michael Fortier (Minister of Public Works and Government Services): Your honour, I apologize if I have breached a rule. I was trying to respond to the question as directly as I could. I will ensure in the future that I will not quote speeches from the House of Commons.

The Hon. the Speaker: Honourable senators, I believe I have heard enough on this point of order. I will take it under advisement and issue a ruling. That point of order has been dealt with and is now in the hands of the chair.

Hon. Hugh Segal: Honourable senators, in his question to the Minister of Public Works and Government Services, Senator Mercer made passing reference with respect to whether the Minister of Foreign Affairs should return to the country. I am sure the honourable senator would not wish to have on the record any aspersion to our Minister of Foreign Affairs being with our troops in Afghanistan and showing support for their effort. I wanted to give the honourable senator the opportunity to reflect on that.

Hon. Terry M. Mercer: Honourable senators, I have no need to reflect on the matter. I am supportive of our troops in Afghanistan, have been from the get-go and will continue to be. However, I am not supportive of the grandstanding by the Honourable Senator Segal, who interprets my political comment about the absence of the Minister of Foreign Affairs, the absence of the minister responsible for Nova Scotia, the absence of the minister responsible for ACOA and the absence of the minister responsible for Prince Edward Island, who is not here to do his job. He should be on his way back. My question was: Who will tell the people of Sydney about this problem.

I did not receive a satisfactory answer from the Minister of Public Works and Government Services because he regurgitated a speech given in the House of Commons. He told me about \$280 million that I had referred to already in my speech. I know that money is there. I want to know why there is no commitment by this government. I am supportive of the troops and I resent the implication made by Senator Segal.

Some Hon. Senators: Hear, hear!

Hon. Daniel Hays (Leader of the Opposition): Honourable senators, I noted in my scroll that we might receive a ruling today on a matter that His Honour has under consideration. When might the house expect the ruling?

The Hon. the Speaker: The rulings are beginning to pile up, so I had better start issuing them.

• (1440)

SPEAKER'S RULING

The Hon. the Speaker: Before continuing with Orders of the Day, honourable senators, I will give my ruling on the point of order concerning the conduct of Question Period.

[Translation]

Honourable senators, last Wednesday, May 3, a point of order was raised by Senator Hays, the Leader of the Opposition, with respect to the conduct of Question Period. As I understand it, his objection had to do with the fact that the Leader of the Government took time that day to respond to questions which had been taken as notice by the Deputy Leader of the Government during a previous Question Period. Senator Hays asked me to rule on the point of order so as to provide guidance in the future for Question Period.

Several other senators spoke to this point of order. As I stated last week, I appreciate the participation of senators in these discussions. I find it very useful. In carrying out my responsibility, however, I must also take into consideration the rules and practices of this house. Indeed, rule 18(2) obliges me to state the reasons as well as any rule or other written authority when called upon to decide a point of order.

[English]

With respect to the basic complaint of the point of order, that questions asked at a previous sitting ought not to be answered during Question Period, I find that there is limited guidance based on the *Rules of the Senate*. These rules provide for 30 minutes every sitting for the purpose of posing questions to the Leader of the Government, any minister or to committee chairs about the work of their committees.

According to rule 24 (4) there is to be no debate, though brief explanatory remarks may be made in asking and answering questions. Rule 24 (3) states that when it is not possible to answer a question immediately, the senator to whom the question was asked may take the question as notice.

A literal reading of this rule might suggest that the presence in the chamber of the senator to whom a question may be asked is a *conditio sine qua non* of this rule.

However, in practice the rule operates in two ways. More frequently, it is applied when the Leader of the Government, a minister or a committee chair takes a question as notice. Less often, the deputy leader or a committee member takes as notice a question intended for the leader or a committee chair. This is what occurred last week.

I also point out that the Senate sometimes forgoes Question Period when the Leader of the Government is unable to be present in the chamber.

[Translation]

Delayed Answers are called at the end of the 30 minutes allowed for Question Period. It is at this time that answers to written questions on the Order Paper are presented. This is also when oral questions asked at a previous sitting can be answered. In either case, dealing with written or oral questions, the response is given in writing, one copy is tabled with *Hansard* and another is given to the senator who asked the question. Much of this has come about through practice and through rulings of the chair.

[English]

A year ago, May 3, 2005, my predecessor, Speaker Hays, made a ruling relating to an element of Delayed Answers. On that occasion, the Speaker ruled on a point of order challenging an instance when the Leader of the Government, then Senator Austin, used Delayed Answers to provide oral responses to questions that were first asked in a Question Period of an earlier sitting.

Reviewing this incident, the Speaker explained:

What occurred April 19, 2005, does not fall squarely within this pattern of accepted practice. Senator Austin provided an oral answer to a question that had been asked originally on April 13 by Senator Comeau. In making his answer, to which there was no written version, Senator Austin also suggested that he was prepared to answer additional questions. On both counts, this was a departure from the usual practice.

[The Hon. the Speaker]

[Translation]

Honourable senators, what occurred last Wednesday seems to me to fall outside of our usual practices. The rationale for prohibiting debate during Question Period and for creating Delayed Answers is due, in part, to the limited time given to Question Period. The 30 minutes allotted for questions and answers is to promote the immediate exchange of information about the policies of the government or the work of a committee. Giving answers during Question Period that had been taken as notice at a previous sitting, detracts from this purpose and is a departure from established practice. Any response to questions asked at a previous sitting should be treated under Delayed Answers in the same way that all written questions are answered. These answers should be in writing with copies for the table as well as for the senator who asked the question. Upon request, these written answers can be read aloud so that they are incorporated into the *Debates*.

[English]

It is my ruling that the point of order is sustained. My purpose in making this ruling is primarily to explain how Question Period and Delayed Answers should be followed, and I expect that this problem will not come up again.

ORDERS OF THE DAY

APPROPRIATION BILL NO. 1, 2006-07

THIRD READING

Hon. Anne C. Cools moved third reading of Bill C-8, for granting to Her Majesty certain sums of money for the Public Service of Canada for the financial year ending March 31, 2007.

She said: Honourable senators, during my second reading speech yesterday I attempted to lay out the circumstances and the conditions to which the Government of Canada in the body of the President of the Treasury Board, John Baird, had been responding. I related his response and the government's response in respect of creating an unusual supply process within an unusual supply period and an unusual timeline. I need not repeat that today.

Perhaps what I will do today is respond to some questions that were raised yesterday, particularly by Senator Murray.

While I was speaking, Senator Murray made reference to the special order that the House of Commons made on April 4, 2006. Perhaps the best way to proceed is by placing that entire motion on the record.

Yesterday Senator Murray, rightly and justifiably so, noted that the motion of April 4, which provided these unusual and large and I would even describe them as extravagant powers to the government in respect of supply, did not dictate, command or specify that Bill C-8 would be dealt with on May 3, 2006.

The essence of Senator Murray's intervention yesterday, and I think it is a justifiable one, was the haste, the rush and the insufficiency in the way the House of Commons dealt with Bill C-8 on May 3, 2006. I have a great deal of sympathy for Senator Murray's concerns. I thought today perhaps we should allow a few minutes of discussion on that.

Senator Murray is absolutely correct. The order of April 4, 2006, set a timeline, but it never commanded the government to go to the end of that timeline. That is why I am going to put the entire motion on the record. I only put it partially on the record yesterday.

What Senator Murray took issue with yesterday is that I stated that the order said that on May 3, 2006, the government must introduce Bill C-8, the supply bill. Senator Murray's words, and I quote them exactly at page 241 of *Debates of the Senate* yesterday, were:

No, not "on" — "by."

• (1450)

I thought that issue should have some proper clarification today and Senator Murray is correct.

I wish to put the whole motion on the record as it was made in the House of Commons by the Leader in the House of Commons, Mr. Nicholson. What the motion did — yes, it is an extravagant power; yes, they are enormous; yes, they are unusual; and yes, they are huge — but the order did not specify that these events had to take place on May 3. In other words, May 3 was the deadline, not the initiating day.

Perhaps I can read this and Senator Murray may wish to add a few remarks. It is quite a lengthy motion, so if honourable senators would bear with me, I think the record deserves this. The motion moved on April 4, and agreed to and adopted April 4, 2006 said:

Notwithstanding any Standing Order or usual practices of the House, on Wednesday, May 3, 2006, at fifteen minutes before the expiry of the time provided for Government Orders, the Speaker shall interrupt the proceedings then in progress and shall put forthwith and successively, without debate or amendment, every question necessary to dispose of any motion relating to interim supply and for the passage at all stages of any bill or bills based thereon...

Senator Murray is absolutely correct. The order specified that on May 3, the Speaker would rise to dispose of every question related to supply. The motion in no way said that the government should only introduce Bill C-8 on May 3. The motion addresses the question of the conclusion of the end of the debate, because, as Senator Murray raises the question, why did the government wait an entire month to bring Bill C-8, the Appropriations Act?

I shall continue to read the motion into the record. Paragraph 2 of the motion continues:

Notwithstanding any Standing Order or usual practices of the House for the purpose of considering the Main Estimates or any supplementary estimates in the year 2006, Standing Order 81 be amended as follows:

The first paragraph of Section (4) be replaced with the following:

"The Main Estimates to cover the fiscal year ending March 31, 2007, may be tabled and be deemed referred to the appropriate committees on or before April 25, 2006. Each such committee shall consider and shall report, or shall be deemed to have reported, the same back to the House not later than November 10, 2006, provided that:"

Section (4)(a) be amended by replacing the words "May 1" with the words "October 2, 2006," and the words "May 31" with the words "November 10, 2006";

Section (4)(b) be amended by replacing the words "May 31" with the words "November 10, 2006" in the two places they appear;

Section (8) be amended by replacing the word "June" with the word "December";

Section (10)(a) be replaced with:

"Fifteen sitting days shall be allotted to the Business of Supply for the period ending December 8, 2006, provided that eight shall be allotted before June 23. These fifteen days are to be designated as allotted days. No more than one fifth of these days shall fall on a Wednesday and no more than one fifth thereof shall fall on a Friday.";

Section 14(a) be replaced with:

"Forty-eight hours' written notice shall be given of opposition motions on allotted days, motions to concur in interim supply, main estimates, supplementary or final estimates, to restore or reinstate any item in the estimates and to oppose any item on the estimates.";

Section 17 be deleted;

Section 18 be amended in the first paragraph by replacing the words "June 23" with the words "December 8, 2006" and by adding, throughout the section, after the words "Main Estimates" the words "and the Supplementary Estimates"; and

3. Subject to the provisions of this Order, the business of supply shall otherwise be conducted in accordance with Standing Order 81.

I thought this record should contain and reflect the entire motion as moved by Mr. Nicholson, who is the minister in the other place. The record should also show that the senators in their debate here paid attention and considered the questions that Senator Murray raised.

Honourable senators, I was very well aware of this during my remarks yesterday. I made it quite clear that extraordinary powers were given to the government in respect of supply, that an unusual and a unique supply process was put into place. Simultaneously, it was our wish that, as had been indicated to Senator Day and I at the Senate committees hearings, that in the very near

and foreseeable future, the normal supply cycle would start to run again, and the normal supply process would go into existence again. That was my belief about what I heard in the committee, and it is still my belief now.

In respect of Senator Murray's remarks about the conduct of Bill C-8, this supply bill, in the House of Commons, I have more difficulty. Senator Murray is correct that the entire proceeding, all three readings and Committee of the Whole, took about 10 minutes, that there was not a single speech, that there was not a single question raised and it was fast and quick. Honourable senators, I like this no more than anyone else here. I did not touch on this matter because I am told again and again that the business of the House of Commons is the business of the House of Commons, and it is not up to us to deal with it.

However, I hope and pray as time goes by, and as members of Parliament become more experienced, that more time will be given to these important matters. You can say the business of supply and Bill C-8 flew through the House of Commons like a bird; \$43.5 billion was passed with barely any attention at all.

Honourable senators, the record shows that I am a strong believer in the fact that these two Houses should function properly as Houses of Parliament. However, honourable senators, what is of importance is what we did in the Senate. Our committee received the estimates and did a study and an examination of them. Our committee presented these estimates in this chamber, and our senators to date have conducted what I would consider to be a good and worthy debate, putting the issues before the Senate for full consideration and debate.

I did not want Senator Murray's interventions to go unnoticed. In general, honourable senators, the fact that the House of Commons is paying insufficient attention to what I would consider to be the critical dimensions of Parliament — being the control of the public purse — to the extent that that is happening is to my mind most bothersome. We raised these questions in our individual caucuses and we have raised them on the floor of the chamber, but I think we should continue to be concerned. We should express our concerns and place them on the record to ensure that the President of the Treasury Board knows that the developments in the House of Commons about supply are causing great distress and consternation in this place.

Having said that, honourable senators, it is my sincere belief that this exceptional and unusual supply process that we are discussing yesterday and today is truly an exception. It is not something that should be repeated in the near future or at any time in the future. As I said before, the problem arose because of two situations coming together at a point in time in the calendar, being dissolution and an election period in combination with the fact that this dissolution and election period straddled two fiscal years.

• (1500)

I wish to thank Senator Murray for bringing this matter forward and for putting this on the record. His concerns are well-heeded and I shall make it my business to discuss this matter with the President of the Treasury Board.

Honourable senators, since so much of this process was thrown into motion by the use of the Governor General's special warrants, I wish to record a couple of statements from the National Finance Committee study on Governor General's

special warrants that occurred in 1989. Because this entire supply process, or parts of it, moved ahead being guided by section 30 of the Financial Administration Act, I will provide some background of the Senate's involvement in the development of the new section 30 of the Financial Administration Act, which took form in 1997. It took 10 years to get those changes.

Honourable senators, on May 17, 1989 the National Finance Committee heard from the President of the Treasury Board and some of us were a little amazed about what the then president had to tell us. The reported said:

In 1989 the executive government used special warrants in January, February, March, and April to make payments for carrying on the public service even although the new Parliament had met and even although supply estimates had been presented to the House of Commons.

The executive government states that it relied on the written opinion of its law officers that section 30(1) of the Financial Administration Act permits a government, using special warrants, to pay out public money for any purpose set forth.... The government contends that it may use special warrants in the same way when Parliament is not in session as special warrants have been used when there is no Parliament by reason of dissolution. The committee was told that there is no limit either on the total amount of public money that may be paid out by means of special warrants or on the time period for which a special warrant may be used.

The Committee rejects the interpretation placed on the Financial Administration Act, section 30, by the executive government. It finds that interpretation invalid.

First, that interpretation leads immediately to the proposition that it would be lawful and constitutional for the executive government to govern Canada without meeting Parliament to obtain supply, a proposition manifestly contrary to the principles of responsible government and parliamentary democracy.

Honourable senators who were here at the time would be very mindful that the National Finance Committee has an extensive corporate memory and knowledge of these particular problems around supply and that many, though not all, of the concerns around the exercise of Governor General's special warrants were met in the amendments in 1997. Senators remain concerned and committed to ever questioning and raising what they perceive to be deficiencies and insufficiencies in the supply process.

I served on the National Finance Committee in 1989. I was much younger in 1989, but in those days senators looked to their leaders like gods. I served on that committee with Senator John Stewart. I will always remember that when Senator Stewart rose to speak on that report, he quoted me, and I was greatly honoured.

According to Senator Stewart, I had raised in committee the critical question and, in his speech, Senator Stewart repeated that that question for the house. He said:

Honourable senators, earlier that day Senator Cools had asked Mr. de Cotret to tell the committee:

...if there are any limits on the amount of money for which special warrants can be used, or can I assume that special warrants can be used for the extent of the Treasury?

Mr. de Cotret answered:

To the best of my knowledge, there is no absolute limit, but they have to be amounts required for the orderly conduct of government business.

Honourable senators would be proud to know that senators were astonished by the President of the Treasury Board's response and that response founded the recommendations of the committee.

In any case, this supply bill, Bill C-8, is before the Senate asking for \$43.5 billion. The reasons and the circumstances have been put before honourable senators. To the extent that I feel confident that the normal supply process will be resuming in the foreseeable future, I would ask honourable senators to give this bill third reading, having noted the concerns.

The Hon. the Speaker: Honourable senators, Senator Day would have been speaking next. Senator Day had 45 minutes, but he is yielding to Senator Mitchell.

Is it agreed, honourable senators, that should the Chair of the National Finance Committee speak, he would have the reserved portion of his 45 minutes?

Hon. Senators: Agreed.

Hon. Grant Mitchell: I thank the Honourable Senator Day for yielding the floor to me.

Honourable senators, I rise to speak in support of these estimates and I do so out of an interesting conundrum. On the one hand, I am not supporting these estimates because they reflect anything in this government's agenda for the next year or two years, their minimal planning horizon, because I do not agree with much of that agenda. On the other hand, I am supporting the estimates because they are based on a 2005 budget and a supplementary budget later in the year that was designed and developed by the former Liberal government and these estimates based on that agenda are ones that I can embrace with enthusiasm.

When I support and vote for these estimates, it will not be on the basis of any enthusiasm for the future; it will be on the basis of nostalgia, reminiscence and a sense of hunger for what might otherwise have been. I wish to highlight several items in these estimates that could otherwise have been and unfortunately will not be.

I will begin with environmental policy. These estimates are based upon a 21st century view of what environmental policy should be. The government's agenda is based upon a 19th century view of what government can or will do with respect to the

environment. The estimates are premised upon a strong, modern, 21st century view of environmental policy directed at reducing greenhouse gases — \$10 billion underlie the premise of these estimates with respect to the environment, honourable senators.

There is a pledge of \$2 billion for the future for the environment, but that money is not actually in the budget. We go from a \$10 billion climate change green plan, which makes every effort to meet international obligations, to a \$2 billion, "we do not know what or when it will be implemented" environmental policy, because we have no idea of what it is.

We go from a \$10 billion of well thought out, structured, effort to reduce greenhouse gases commensurate with international obligations to the centrepiece of environmental policy, if I can use that term loosely, that was presented in the budget that talks about their bus pass program, \$1.3 billion that will very likely not reduce greenhouse gases at all. If it does, it will do so at approximately \$2,000 a ton. Our program is more efficient and would do so at about \$20 a ton.

• (1510)

Honourable senators, when I support these estimates, it will not be for a 19th century environmental policy that has yet to be delineated; it will be for a 21st century environmental policy that should have been implemented that was in these estimates.

As I consider what these estimates actually include, I lament the fact that there is an absence of strong commitment in the new government's perspective to fiscal responsibility. On the other hand, there is, in these estimates, a strong and profound commitment to fiscal responsibility. These estimates are premised upon, among other things, a \$1 billion prudence fund; \$1 billion to give us some leeway in the event that something unexpected should occur. I could list some events that did occur, BSE is amongst them. This government has no provision in anticipation of such an event. They predict a \$0.6 billion surplus; that is a minimal amount of cushion should this country meet some challenges that have not yet been anticipated and we all know that is likely to occur.

I am also concerned that the government's perspective of the new initiative with respect to debt repayment does not embody what is embodied in these estimates. This government has reduced debt by approximately \$70 billion over the last eight to 10 years. The new initiative would assign \$3 billion to debt reduction. At that rate, it would take approximately 25 years to ever get to the \$70 billion mark, and it would take 160 years to pay down the debt that exists today.

These estimates are premised upon and evolved from 13 years of profoundly strong professional fiscal management of this country. I will vote for these estimates on the basis of the past 13 years of fiscal management because that is embodied in them, but I will not vote with any enthusiasm for the future of a debt repayment philosophy that is almost non-existent in what the government is talking about today.

If I were concerned about what is not in this book, that would be one thing, but I am also greatly concerned about the context within which that budget has been developed for the future. The origins of the Finance Minister and the Treasury Board Minister are the Harris government, a government that, among other things, could not be criticized for its fiscal prudence. I also look at the people who must have had a great deal of impact on the development of that budget, many of whom came from the Mulroney era, and are still influential advisers in the Senate, in the other place and amongst non-parliamentarian advisers. These are the roots of this government's weak fiscal plan and weak commitment to fiscal responsibility. In these estimates, there is a profoundly strong and proven commitment to fiscal responsibility and to proper debt payment and repayment.

I am also concerned about the fact that I could support this book wholeheartedly because it is premised upon a daycare program that, unfortunately, will now be lost. The government will say that parents should have a choice. Our daycare program was about people who do not have a choice, single mothers and poor working families who have to work and do not have the resources for proper daycare.

As a result, we give choice to people who have the economic wherewithal under the government's plan to buy choice without the resurrection of the family allowance, but we will not capture the choice for those people who actually need these resources and this daycare plan outlined and premised upon a 2005 budget that is in these estimates.

I can vote for these estimates with great enthusiasm when it comes to a daycare program that was properly structured for people in this country who really need it, but I cannot vote for a daycare program, and I use that term loosely, that this program will become under the government's current budgetary estimates.

The Kelowna Accord was historic in its commitment to assisting Aboriginal peoples to realize their potential, their opportunities in this country and to become full, committed participants in the development of our country. I attended a meeting of Native leaders during the election, and it was powerfully moving to see what the Kelowna Accord meant to them. The Kelowna Accord is in these estimates, and means something in these estimates, but the accord is not in the estimates as they will become under this government's newly-formed budget.

These estimates are premised upon cutting taxes for lower-income Canadians, people who can use and need the money, where a marginal tax decrease will mean something. The new estimates and budget will give the bulk of cuts to people who already have money; it will reward people who have money and penalize people who do not have the resources that others do.

I can vote for these estimates out of nostalgia because they do something significant for education: \$6,000 a year for post-secondary education for students over a four-year period. Compare that to the one-time \$80 tax credit for books for students under the new plan.

I could go on at some length, honourable senators, because the differences between the promise that these estimates held and the lack of promise that the new budget holds for people in this country who need it and the lack of vision that the new budget embodies for this country's future is so profound, and there are so many places where those differences are absolutely glaring.

On the subject of agriculture, the amount of emergency funding that has been committed in the new budget is considerably less than the emergency funding committed in our 2006-07 estimates. Our tax cuts were premised upon productivity. I can embrace the sense of productivity that was going to be developed by these estimates. I do not see that focus on productivity in what these estimates will become.

I see debt forgiveness in these estimates of six Third World countries that desperately need the assistance of countries like ours that have the wherewithal to help them. I do not see that kind of commitment to Third World countries in what these estimates will become.

I see a \$60-million increase in funding to the Canadian Broadcasting Corporation, a corporation that tells stories of Canadians across this country and helps to bring this country together in a way that it needs to be. I do not see that commitment in what these estimates will become.

I see funding for the 2010 Olympic Games, a showcase of Vancouver, British Columbia and Canada to the world. I do not see that commitment in what these estimates will become.

I see a commitment of more funding to the Pacific Gateway, which has huge implications for the West and Alberta's north. I do not see that commitment in what these estimates will become.

Honourable senators, shortly after the election, a number of people in Alberta took great glee in pointing out how the Liberals had lost and how much better it might be. I said, "I am willing to listen to your case today. I simply want to reserve the right to tell you in two years, 'I told you so.'" In two years, I wager I will be able to stand in this Senate and say, "I told you so," about daycare, productivity, education, the environment, and a litany of items that will no longer be in these estimates because, although these estimates were based upon a forward-thinking 2005 budget by the former government, they will be gone in two or three months when we see the real budget that this government has brought down.

Some Hon. Senators: Hear, hear!

• (1520)

Hon. Joseph A. Day: Honourable senators, I feel I should have given the rest of my 45 minutes to my honourable colleague, Senator Mitchell. He was just winding up.

I wish to assure honourable senators that this debate will be continued. There is a tendency to discuss the new budget with respect to the supply bill. Honourable senators will recall from my intervention yesterday that this supply bill is not based on the new budget but I have learned that a ways and means motion has been filed. Notice was given yesterday, and filed in the other place,

which implements certain provisions of the budget. In due course, and in the not-too-distant future I suspect, we will receive the budget implementation bill based on that ways and means motion. We will have an opportunity to debate those issues at that time.

Honourable Senator Cools has clarified the procedure in the House of Commons. That is their procedure, honourable senators. We do not have any control over that, but as has been pointed out by Honourable Senator Murray, Senator Cools, and myself, there is such a short period of time given in the other place to dealing with such an important issue as government expenditure and the expenditure of \$43 billion that the process we have here is even more important.

We go through the process of reviewing the Main Estimates. We go through the process of dealing with first, second and third reading of the supply bill on different days in this chamber, and I believe that to be important.

Honourable senators, the proposed federal accountability act has a provision for creating a parliamentary budget officer. When that position is filled, I am hopeful that we will be able to draw on the services to the same extent or, because we do so much more work here, maybe to a greater extent than the other place. We look forward to the implementation of that office in due course.

Keeping in mind the extraordinary situation that has brought about the supply bill in this instance, of a change of government and an election that resulted over two fiscal time frames and therefore the extensive use of the Governor General Special Warrants, I submit that we should give support to the supply bill.

An Hon. Senator: Question!

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

Hon. Senators: Agreed.

Motion agreed to, bill read third time and passed.

[Translation]

THE SENATE

MOTION TO PERMIT ELECTRONIC COVERAGE ADOPTED

Hon. Gerald J. Comeau (Deputy Leader of the Government), pursuant to notice given May 9, 2006, moved:

That television cameras be permitted in the Senate Chamber to record the Royal Assent Ceremony on Thursday, May 11, 2006, at 4:30 p.m., with the least possible disruption of the proceedings.

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

Hon. Fernand Robichaud: Honourable senators, I have a question for the Deputy Leader of the Government. Will it be the usual arrangement, as with the reading of the Speech from the Throne, with a camera on one side and perhaps another hidden elsewhere?

Senator Comeau: As far as I know, we will use the same arrangement as the last time. There will be a camera on one side for sure. We asked the technicians to place the camera in such a way that we do not have to move senators' seats. We also asked that there be as little disruption as possible, in other words, instructions will be given to ensure that everything is done very professionally.

Hon. Eymard G. Corbin: Honourable senators, I am concerned by this motion, concerned not in the sense of —

[English]

I am concerned but I am being aimed at. I have a memo here from an employee of the Senate, whom I do not have to name. That would not be proper. In any case, it is a courteous memo because it asks if I would object to having one of the cameras in question placed between Senator Bryden and me. As the ceremony is for Royal Assent, I certainly will not object because it is a simple matter.

However, if there were future occurrences where a request was made to have cameras in the Senate during the debate, I would rise, perhaps object, but certainly seek a better accommodation for the cameras. I do not think we should have them between senators or in our back. This place obviously was not designed for television when it was reconstructed back in the 1920s. We have to live with that to some extent.

However, it is incumbent on the administration of the Senate, the internal economy, and whoever their advisers are, to look into the future — not that I support the motion to have debates televised necessarily, but there will be additional occurrences of requests of this nature, and cameras do disturb senators.

I also suggest that the operators of these cameras wear proper dress in the Senate. We have had instances of people in here with jeans, open shirts and what have you. I used to work for the CBC and in the studio I was expected to wear a shirt, a tie and sometimes a vest when I was doing interviews. That high standard should be maintained in the highest chamber of the nation.

Hon. Elaine McCoy: I wish to heartily endorse the comments made by my colleague senator across the floor and urge upon the senators a full understanding of what they are attempting to accomplish by having any kind of televised proceedings in this chamber.

If they are trying to engage the Canadian public, then we need to understand the various ways that the Canadian public are in fact engaging in political conversations today. Few of them watch mass media presentations of performances put on by people who are not engaging, merely showing off. That is my warning.

I do not personally encourage even that wedge, notwithstanding that it is merely ceremonial to have the Governor General in our chamber giving Royal Assent. On the other hand, I do not understand why you would publicize that event. The event of her giving Royal Assent that is not the one that is important, I suggest. The important event is the debate, the deliberation and

the exploration of ideas that we are engaged in that we can flesh out and add some substance to what the policies and laws of this government and any other government in our tenure put forward for the well-being of our country.

Motion agreed to.

• (1530)

CRIMINAL CODE

BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Lapointe, seconded by the Honourable Senator Chaput, for the second reading of Bill S-211, to amend the Criminal Code (lottery schemes).—(*Honourable Senator Comeau*)

Hon. J. Michael Forrestall: Honourable senators, it gives me a great deal of pleasure to rise and address Senator Lapointe's business, partly because he is someone whom I admire; someone whom I have watched and known for many years. He has entertained both my family and I, and perhaps I admit a little bias. He was one of the early and forceful supporters of a matter that I had before this chamber on five different occasions and, unless we get a bill very shortly, it will soon be six; that is, a bill for the preservation of lighthouses in our country.

I wish to commend the honourable senator for bringing the bill forward as I know that it has come from his heart. He is a man of great character. I am sorry he is not here with us this afternoon. I have the greatest of respect for him and what he has done in life. As a senator, he witnessed a problem in society, the problem of compulsive gambling, and has tried to come up with a legislative remedy. I respect that because I know what he is trying to do. I understand the problem; it is prevalent and well-known throughout our country.

While I commend the man and the spirit behind the bill, sadly, I have some concerns with respect to its scope. Honourable senators, in an effort to address the serious problems of compulsive gambling, the bill would narrow the provincial operation of "lottery schemes" from what is now permitted in section 207 of the Criminal Code of Canada by taking away existing permission for a provincial government lottery that is operated on a video lottery terminal, VLTs, or slot machine, unless that machine is located at a casino, race course or betting theatre.

This proposed amendment aims to prohibit the placement of provincial government VLTs, a form of slot machine, in bars. This is, in effect, an intrusion on provincial authority and this creates a major jurisdictional concern. It is my opinion that the decision on whether to place provincial or territorial VLTs in bars should remain a local decision. Pandora's boxes have already been opened. Different attitudes can and do prevail in different jurisdictions in our country. To date, Ontario, British Columbia, Yukon, the Northwest Territories and Nunavut have chosen not to place any video lottery terminals in bars or other non-casino,

non-race course or non-betting theatre premises. The other eight provinces do place VLTs in bars. Among the provinces that have video lottery terminals in bars is Quebec, which has the highest number of video lottery terminals in the country. Some provinces, including Quebec, have lowered or limited the number of VLTs that can be placed in bars. Alberta, Manitoba and New Brunswick have held provincial or municipal referenda relating to the placement of provincial video lottery terminals in bars or other non-gambling premises. In some municipalities, the provinces removed VLTs from their bars.

Lastly, honourable senators, provinces and territories have the responsibility for the prevention and treatment of problem gambling, and they have taken some measures to address this problem. Bill S-211 will also be expected to have a negative impact upon federal-provincial-territorial relations, even though, as worded, the bill would permit a province to move the machines out of a bar and across the street or mall to a "small scale" casino. That would ensure that every chair would be affiliated with a separate machine and where alcohol would be available.

Proponents of the bill also seem to assume that provinces would move machines to large casinos, race courses or betting theatres. This might not be the case. Honourable senators, while I respect the bill, where it comes from, and the sincerity with which it is put forward, noting on more than one occasion the enthusiasm Senator Lapointe has for this matter and for what he has attempted to do, I have continuing real concerns with this bill in that it intrudes into provincial jurisdiction. While my mind is open, I find it difficult to support Senator Lapointe's position.

The Hon. the Speaker: I wish to inform the Senate that if the Honourable Senator Lapointe speaks now, his speech will have the effect of closing debate on the motion for second reading.

[*Translation*]

Hon. Jean Lapointe: Honourable senators, I was touched by the speech by Senator Forrestall, for whom I have a great deal of admiration.

I was in my office at the beginning of his speech. I was talking to a man from Montreal who has lost everything: his son, his family and he had even attempted suicide. You will understand that I am emotional. I am having a hard time containing myself.

One cursed issue keeps coming back: federal-provincial relations. I have had it up to here with federal-provincial relations. For once the federal government should pull up its socks and attack this head on. Let us pass this legislation, and everyone will admire the Senate and the other place for passing the amendment to this legislation.

• (1540)

Studies have shown that this costs two to five times more. How much do you think the man on the brink of suicide will pay? I gave him a suggestion as to where to go.

I could not care less whether the bill is passed or not. As a recovering alcoholic, all I want is to alleviate the suffering of people in my country, people addicted to these machines that are like crack.

[Senator McCoy]

Honourable senators, the only thing that matters to me is that Bill S-211 be referred to the House of Commons.

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

Hon. Senators: Question!

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

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

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 Social Affairs, Science and Technology.

[English]

DRINKING WATER SOURCES BILL

SECOND READING—DEBATE ADJOURNED

Hon. Jeremiah S. Grafstein moved second reading of Bill S-208, to require the Minister of the Environment to establish, in co-operation with the provinces, an agency with the power to identify and protect Canada's watersheds that will constitute sources of drinking water in the future.—(*Honourable Senator Grafstein*)

He said: Honourable senators, Canada is blessed. We are sovereign over 7 per cent of the world's land mass. Canada is blessed. Within our borders is 9 per cent of the world's renewable fresh water.

Canada's population is less than half of 1 per cent, so we have the greatest per capita allocation of fresh water in the world. This abundance of freshwater has become both a blessing and a curse. The blessings are clear. Water is an essential part of our life on this planet. The curse is growing due to overabundance. Have we become too complacent? Do we take this valuable resource for granted? Why is there not a powerful, vocal national lobby to preserve this precious national asset?

With rising economic, industrial and agricultural growth and increased housing, added to the utilization of our water resources for recreation, all experts — and I repeat, honourable senators, all experts — warn that it is time for Canada to take a fuller account of what is becoming a diminishing resource.

The Great Lakes, the single largest source of freshwater in the world, contains about 18 per cent of the world's total. One per cent of the volume flow is not currently renewable. Again, we can no longer take for granted the sustainability of Great Lakes water for each and every citizen in the Great Lakes Basin.

Economic measurements should start to come into play. How should groundwater aquifers or watersheds, which are the paramount source of our freshwater, be shared? For example, how do we develop sharing models of allocation between farmers and settlers, between industry and recreation, as water abundance deteriorates? Clearly, Canada needs a watershed inventory.

Simply designed, Bill S-208 would cause the Minister of the Environment, in conjunction with his provincial counterparts, to map out the groundwater aquifers or watersheds across our country. Why? We now know that our freshwater supply is no longer infinite or even sustainable with the present levels of growth and pollution. Water has become a deteriorating resource. This deterioration is the paramount purpose of this bill.

Bill S-208 offers a cost-effective, co-operative way to map, measure and thereby create a national inventory of our most precious resource: water. Once completed, this inventory, open and transparent, would ensure that the water resource is developed in a fair, equitable and careful way to be shared among all sectors of our society.

If we do not manage this resource and take steps now to enhance its sustainability, we consciously compromise the future for all Canadians. I urge the adoption of this bill before Canada's freshwater resources are diminished beyond renovation and beyond sustainability. Will Canada's water supply run dry? Not if we carefully, transparently and fairly assure that we protect freshwater sustainability for our future generations.

I urge a speedy adoption of Bill S-208 so that it might be referred to the Standing Senate Committee on Energy, the Environment and Natural Resources for fulsome study. This committee has already done excellent preparatory work on this very subject. Indeed, this bill was inspired in part by that committee's work. Let this Senate committee, under its excellent leadership, commence this work without delay.

The Privy Council Office is studying these and other water questions affecting national policy as we speak. Now is the time for the Senate to move on this issue.

Every Canadian, in every region in Canada, relies on sustainable watersheds. We must ensure that they are sustainable before it is too late.

I am indebted, honourable senators, to a number of experts who also inspired me, particularly Ralph Pentland, but this bill is the result of my own judgment and my own analysis, based on deep and profound advice from the experts, which has been too frequently neglected.

Honourable senators, I urge the adoption of this bill on second reading.

Hon. John G. Bryden: Honourable senators, some parts of the country are in a great deal more danger of losing their water supply than others. In particular, I am thinking of the province of Alberta. The Province of Alberta, I read the other day, is thinking of charging for the use of water by industries, particularly since the relatively recent use of water by injecting it into oil wells that were deemed to be no longer profitable, to try to retrieve the oil by flushing it up to the surface.

• (1550)

Also, demands are beginning to come from the U.S. to open more of the runoff of freshwater from B.C. and Alberta, and I believe from some of the other Prairie provinces as well, into the northern states of the U.S. Would the honourable senator like to comment on that?

I have been led to believe that it will cost more for the water used to flush oil out of the earth than the oil is worth.

Senator Grafstein: I could not agree more with the honourable senator on each and every aspect of his comments.

There are two separate issues, honourable senators. First, let us find out what our inventory is. Second, we must alert Canadians that this is a diminishing resource rather than a sustainable resource. Our choices will then be to change our consumption, to stop pollution or to deal with it. However, the first question dealt with in this bill is determining what we have and what we are losing.

The second question is, once we determine what the asset is, how should it be shared? For instance, is it useful to spend that precious resource to retrieve oil that is not commercially viable, or should we use that water for renewable resources?

I just returned from a meeting where we talked about renewable resources. We discovered that water is an important asset for turning corn, grass and sugar beets into ethanol. If we want North America to be independent and sovereign in the field of energy, we will have to study this question. Water is an important element in even that decision.

Water is the basis of all these important decisions on agriculture, industry and recreation. The first questions are with regard to how much we have and how we preserve what we have. Once we decide that, we have to deal with the question of allocation, which will be tough.

Senator Bryden: Does Senator Grafstein anticipate that the committee would deal with the implications of the free trade agreement in relation to our ability to manage and conserve our own water? I know that there are provisions in the free trade agreement controlling the allocation of limited resources such as oil and natural gas. We can limit it, but we cannot limit it any more to our own country than we can to the U.S.

Will the committee examine the free trade agreement in relation to whether free trade applies in the case of bulk water?

Senator Grafstein: I hope that the committee will look into that, honourable senators. However, I will spell out the problem, which is quite intense.

The Great Lakes are one of the greatest freshwater sources in the world and they are shared by Canada and the United States. They are subject to a number of treaties, agreements and bilateral commissions that I will not go into, but we did discuss the issue in some detail at the Canada-U.S. meeting.

Having said that, there is a problem. Lake Michigan is not within the purview of the Great Lakes as it applies to water because that lake is entirely surrounded by the United States.

This is a complex question. However, for the last five or six years we at the Canada-U.S. committee have been lobbying to have the Americans look at this question. At our last meeting they were alert and alive to this question. They share our concerns with regard to how to preserve the Great Lakes as a freshwater resource for both sides and how to share that resource fairly.

The President of the United States, who many in this chamber criticize, has recently initialled a bill to allocate \$20 billion to resuscitate, sustain and restore the Great Lakes. We have not come up with even 5 per cent of that.

Water is a big problem in the United States. We have to determine where we stand on our side before we can start negotiating, bargaining or dealing with all the various and intricate agreements and treaties that we have with the United States. Facts come before policy, honourable senators.

Hon. Willie Adams: Honourable senators, I am reminded of what happened at Walkerton where some people died due to bad water. Some Indian reserves in the North have problems with water. We have had witnesses before a Senate committee from the Department of Indian and Northern Affairs who said that they were responsible for water on Indian reserves and that they would look into the problem.

Can Senator Grafstein tell us what has happened since that time? How does the Food and Drugs Act impact on the responsibility of the Department of Indian and Northern Affairs for water on reserves. Will this bill help the people in the community?

Senator Grafstein: Honourable senators, I have two bills on the Order Paper that I hope the Senate will see fit to send to committee. The first bill deals with the downstream issue of ensuring that any water that comes out of a community drinking system, including those of Aboriginal communities, is pure and potable. That bill stands in the name of Senator Angus, I believe.

This bill deals with the upstream issue of how to ensure that sustainable water flows into community drinking water systems. This bill will obviously affect Aboriginal communities, subject to jurisdictional issues. It will not affect them in any detrimental way. The bill proposes to take an inventory of what is available and what is not available for drinking water in the northern communities.

As honourable senators know, I have been on this case for half a decade. The situation is not getting any better in the North; it is getting worse. I have always said that one problem we have in this country is that we do not connect the two points. We talk about policy but not the consequences. The consequences are that when we have bad drinking water our health budget increases, and we never keep track of the cost. Dr. David Schindler and I worked out an anecdotal model that showed that many billions of dollars are spent in health systems every year due to bad drinking water.

[Senator Bryden]

The most acute places in Canada are the First Nations communities. A woman in a First Nation community who wants to have a child must leave her community for two or three years to cleanse her womb to ensure that the fetus will not be deformed due to bad drinking water. That is a shame and a scandal.

I hope that the Senate will finally treat this as an emergency issue. Every day that goes by the situation gets worse. Children are being deformed, people are getting sick, costs are going up and we are sitting here doing nothing about it. I hope that this matter will be handled with some urgency, that we will move it to committee, study it and send it to the other place.

Senator Adams: The Kelowna Accord was signed last fall. There is now a new government and it has brought down a new budget. The former Liberal government reached an agreement with the premiers across Canada to spend up to \$500 million upgrading water systems in Native communities on reserves.

• (1600)

Could a bill be passed that would enable this government to fulfill that commitment, or do we have to wait for the next budget?

Senator Grafstein: Honourable senators, that is for the Senate and, ultimately, the other House to decide.

On motion of Senator Comeau, debate adjourned.

[Translation]

BUSINESS OF THE SENATE

Hon. Fernand Robichaud: Honourable senators, I know that we have to deal with the question of privilege for which we received

notice, but we must also respect the adjournment motion whereby at 4 p.m. on Wednesdays, the Speaker leaves the chair.

Are we going to resume debate on Senator Ringuette's question of privilege today? If so, this will delay adjournment, or are we going to adjourn at 4 p.m., pursuant to the *Rules of the Senate*?

[English]

The Hon. the Speaker: Honourable senators, I wish to thank the Honourable Senator Robichaud for raising this matter as it allows me to explain how things will unfold.

Senator Ringuette provided written notice of her question of privilege. Prior to Senators' Statements she gave oral notice of her question of privilege. Thus the notice is before us.

Most days of the week, other than Friday, after Orders of the Day and no later than 8 p.m., we must hear the substance of questions of privilege.

As a result of a house order, in a minute and a half I must adjourn today's sitting. That means tomorrow, after Orders of the Day have been dealt with, we will go to the substance of Senator Ringuette's question of privilege. It will be no later than 8 p.m. tomorrow, which is Thursday. The rules provide that 12 noon on Fridays is the latest time for a question of privilege raised on Thursday to be dealt with.

The Senate adjourned until Thursday, May 11, 2006 at 1:30 p.m.

CONTENTS

Wednesday, May 10, 2006

	PAGE		PAGE
SENATORS' STATEMENTS		Montreal—Support for Cultural Initiatives and Tourism.	
Question of Privilege		Hon. Céline Hervieux-Payette	273
Notice.		Hon. Michael Fortier	273
Hon. Pierrette Ringuette	269	Hon. Lise Bacon	273
The Right Honourable Antonio Lamer		Davie Shipyards.	
Hon. Andrée Champagne	269	Hon. Dennis Dawson	274
The Honourable Sandra Lovelace Nicholas		Hon. Michael Fortier	274
Congratulations on Receiving Honorary Degree.		Industry	
Hon. Rose-Marie Losier-Cool	269	Aid to Manufacturing Sector.	
Fibromyalgia and Chronic Fatigue Syndrome		Hon. Jean-Claude Rivest	274
National Awareness Day		Hon. Marjory LeBreton	274
Hon. Wilbert J. Keon	269	Public Works and Government Services	
Alberta		New RCMP Headquarters—Bidding Process.	
Lethbridge—One-hundredth Anniversary.		Hon. Francis Fox	275
Hon. Joyce Fairbairn	270	Hon. Michael Fortier	275
Official Languages Commissioner		Bidding Process for New Projects.	
Hon. Claudette Tardif	270	Hon. Francis Fox	275
Visitors in the Gallery		Hon. Michael Fortier	275
The Hon. The Speaker	271	National Defence—Relocation of Headquarters.	
		Hon. J. Michael Forrestall	275
		Hon. Michael Fortier	276
		The Environment	
		Clean-up of Sydney Tar Ponds.	
		Hon. Terry M. Mercer	276
		Hon. Marjory LeBreton	276
		Public Works and Government Services	
		Clean-up of Sydney Tar Ponds.	
		Hon. Terry M. Mercer	276
		Hon. Michael Fortier	276
		Points of Order	
		Hon. Joan Fraser	276
		Hon. Anne C. Cools	277
		Hon. Michael Fortier	277
		Hon. Hugh Segal	277
		Hon. Terry M. Mercer	277
		Hon. Daniel Hays	277
		Speaker's Ruling.	
		The Hon. the Speaker	277
<hr/>		<hr/>	
ROUTINE PROCEEDINGS		ORDERS OF THE DAY	
Banking, Trade and Commerce		Appropriation Bill No. 1, 2006-07 (Bill C-8)	
Notice of Motion to Authorize Committee to Study Proceeds		Third Reading.	
of Crime (Money Laundering) and Terrorist Financing Act.		Hon. Anne C. Cools	278
Hon. Gerald J. Comeau	271	Hon. Grant Mitchell	281
Canadian-NATO Parliamentary Association		Hon. Joseph A. Day	282
NATO Parliamentary Assembly, November 11-15, 2005—		The Senate	
Report Tabled.		Motion to Permit Electronic Coverage Adopted.	
Hon. Jane Cordy	271	Hon. Gerald J. Comeau	283
Assemblée parlementaire de la Francophonie		Hon. Fernand Robichaud	283
Bureau Meeting, February 2-4, 2006—Report Tabled.		Hon. Eymard G. Corbin	283
Hon. Pierre De Bané	271	Hon. Elaine McCoy	283
Education, Communication and Cultural Affairs Committee,		Criminal Code (Bill S-211)	
March 21-22, 2006—Report Tabled.		Bill to Amend—Second Reading.	
Hon. Pierre De Bané	271	Hon. J. Michael Forrestall	284
Conference of Presidents of the Americas Region,		Hon. Jean Lapointe	284
March 22-23, 2006—Report Tabled.		Referred to Committee	285
Hon. Pierre De Bané	271	Drinking Water Sources Bill (Bill S-208)	
Co-operation and Development Committee, March 14-16, 2006—		Second Reading—Debate Adjourned.	
Report Tabled.		Hon. Jeremiah S. Grafstein	285
Hon. Rose-Marie Losier-Cool	271	Hon. John G. Bryden	285
Canada-Europe Parliamentary Association		Hon. Willie Adams	286
OSCE Parliamentary Assembly, February 23-24, 2006—		Business of the Senate	
Report Tabled.		Hon. Fernand Robichaud	287
Hon. Consiglio Di Nino	272		
International Election Observation Mission to Ukraine,			
March 26, 2006—Report Tabled.			
Hon. Consiglio Di Nino	272		
<hr/>		<hr/>	
QUESTION PERIOD			
Public Works and Government Services			
Cultural Infrastructure Program.			
Hon. Serge Joyal	272		
Hon. Michael Fortier	272		



If undelivered, return COVER ONLY to:
Public Works and Government Services Canada
Publishing and Depository Services
Ottawa, Ontario K1A 0S5