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THE HONOURABLE ROSE-MARIE LOSIER-COOL
SPEAKER *PRO TEMPORE*

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THE SENATE

Wednesday, February 14, 2007

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

Prayers.

SENATORS' STATEMENTS

YUKON

WHITEHORSE—CANADA WINTER GAMES

Hon. Nick G. Sibbeston: Honourable senators, on February 23, the 2007 Canada Winter Games will begin in Whitehorse, Yukon. This marks the fortieth anniversary of this important sporting event that runs until March 10. All three northern territories have joined forces in a pan-northern approach to showcase the largest event ever staged north of the sixtieth parallel. More than 3,600 athletes, coaches and managers will gather in Whitehorse to compete for a total of 1,122 medals in 22 sports.

Honourable senators, with the 2007 Winter Games, every province and territory will have played a part in hosting the Canada Games over the years. This is a great accomplishment and one well worth celebrating.

Like all great events in Canada, the Canada Winter Games have always relied on the efforts of countless dedicated volunteers, and this year will be no different. People from across the North will be donating their time and energy to host, promote and support these games.

All Canadians will have a chance to share in the excitement and the great performances by our young athletes, the next generation of champions. More than 150 hours of television coverage will be provided by CBC, TSN, SRC, RDS and APTN.

• (1335)

I urge senators and Canadians from coast to coast to watch these games. The opening ceremonies will be broadcast live on CBC Newsworld on February 23.

I also invite all my colleagues to come north at some point during the games to see the beautiful city of Whitehorse and the northern lands. February 23 to March 10 — mark it on your calendars.

MANITOBA

DEATHS OF FIREFIGHTERS CAPTAIN HAROLD LESSARD AND CAPTAIN THOMAS NICHOLS

Hon. Terry Stratton: I rise today, honourable senators, to honour the lives of two fallen firefighters and their four surviving colleagues.

[Translation]

On Sunday, February 4, the alarm sounded in a Winnipeg firehouse, and 25 firefighters rushed to respond to a major fire that was devouring a home. Even though they had been told there was no one inside, they were required by their protocol to check every room in the house. In carrying out their duty and putting their lives on the line to perhaps save another, Captain Thomas Nichols, age 57, who had been a firefighter for 32 years, and Captain Harold Lessard, age 55, a firefighter with 31 years of service, led their team into that inferno.

[English]

They entered a second-storey room and had only seconds of warning before the room erupted in a ball of fire, melting their fire-retardant jackets, pants and breathing masks. One firefighter, 33-year-old Lionel Crowther, jumped from a second-storey window at the urging of Captain Lessard seconds before the flashover. He is still hospitalized and in stable condition. The two captains and another firefighter, Ed Wiebe, were trapped inside. Ed Wiebe remains in hospital with burns to 70 per cent of his body. Firefighters Darcy Funk and Scott Atchison were treated and released from hospital.

In the days following the announcement of the deaths of these two heroes and of the injuries sustained by the other firefighters who responded, the Winnipeg Fire Department received word from all over North America of firefighters and other peace officers who would attend the public memorial service held in Winnipeg's MTS Centre this morning. Over 2,000 firefighters from Canada and the United States marched through downtown Winnipeg to salute the memory of their fallen colleagues, and thousands of other peace officers, paramedics and ordinary people filled Winnipeg's 15,000-seat MTS Centre.

This morning, in tribute, the Canadian Forces Snowbirds flew over downtown Winnipeg in "missing man formation."

Captain Thomas Nichols was a 32-year veteran of the Winnipeg Fire Department and a carpenter. He leaves behind his wife of 34 years, Linda, two children and three siblings. He had the fortune of seeing both his children married in 2006.

Captain Harold Lessard was a 31-year veteran of the Winnipeg Fire Department who loved gardening and spending time with friends and family. He leaves behind his wife, Lynn, two children and three siblings.

Honourable senators, I would like us, as the Canadian Senate, to join with Winnipeg to mourn the loss of these two heroes and pray for comfort for the families and for the recovery of the remaining two hospitalized firefighters.

In the words of Pastor Young at Captain Lessard's private funeral on February 8, "In the days and months and years to come, each act of kindness, each act of bravery, performed by a city firefighter will carry with it a little bit of Lessard and Nichols."

[Translation]

INTERNATIONAL CHILD SOLDIERS DAY

Hon. Roméo Antonius Dallaire: Honourable senators, since February 12 is International Child Soldiers Day, or Red Hand Day, I would like to draw to your attention the scourge affecting more than 300,000 children under the age of 18 around the world.

Three hundred thousand boys and girls are being forced to serve in deadly conflicts and used as combatants on the fighting lines, cooks or sexual objects in the Sudan, Sri Lanka, Congo, and so on.

• (1345)

Over the past decade, due to armed conflicts, more than 2 million children have been killed and 6 million injured or mutilated by landmines.

[English]

Red Hand Day, or International Child Soldiers Day, was initiated on February 2, 2002, when the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict entered into force, and at that time 144 countries signed onto it, including Canada. The protocol states that no youth below the age of 18 should be recruited, trained or utilized in military operations or carry weapons in any conflict around the world.

[Translation]

Along the same line, I would like to acknowledge and commend the efforts of the French Minister of Foreign Affairs, Philippe Douste-Blazy, who hosted in Paris, on February 5 and 6, an international conference on child soldiers.

[English]

Following the French foreign minister's trip to Uganda and Burundi in February 2006, he has been personally engaged by the issue of child soldiers. France has also chaired the Security Council working group on children involved in armed conflict since November 2005.

This conference, entitled "Let Us Free Children of War," brought together representatives from 58 countries, NGOs, civil society — including child soldiers — the European Union, the UN and Canada. UNICEF co-chaired the conference. Canada was one of the countries present at the conference; a delegation of two CIDA bureaucrats and one DFAIT official attended the event. However, the absence of both the Minister of Foreign Affairs and the Minister of International Cooperation was noticed.

These are the following major points agreed to in the Paris Principles with respect to child soldiers: the unconditional release of children involved in armed forces and armed groups; their permanent reintegration into society, where a place must be made for them; and strategies to prevent the recruitment or use of children by armed forces and armed groups.

We are now in an era where the bulk of conflicts around the world — Sudan, Congo, Sri Lanka — are being conducted not by soldiers but by children. Children have become the new most-sophisticated, low-technology weapons system in the world, yet the issue has not attracted enough attention that we intervene to stop such conflicts or such recruitment. We watch and we continue to watch.

Honourable senators, next week I will introduce a motion in which I hope to advance Canada's position in regard to the eradication of the use of child soldiers as weapons of war.

• (1345)

[Translation]

CONCERT IN MEMORY OF CHARLES REINER AND JAN HUGO SIMONS

Hon. Andrée Champagne: Honourable senators, last Thursday evening, I had the privilege of witnessing a memorable moment in the world of Canadian classical music.

At Pollack Hall, the Schulich School of Music of McGill University paid tribute to two of its former professors who passed away in 2006. These two great musicians and pedagogues have left students who today enjoy enviable reputations. Some are performing on the world's great stages, while others have chosen to pass on what they learned from these teachers to the next generation.

Pianist Charles Reiner was born in Budapest, Hungary. He was studying at the Franz Liszt Academy when war ravaged his country. Liberated by the American army from the concentration camp where he had spent several years, he chose to flee the communist regime and go to Switzerland.

After studying with Dinu Lipatti at the Geneva Conservatory, he came to Canada and settled in Montreal, where his talents as a pianist and his sensitive musicality earned him an important place in the city's fertile artistic environment. He enjoyed a distinguished career as a soloist and an accompanist. For decades, he accompanied violinist Henryk Szeryng around the world. Here in Canada, Arthur Leblanc, Maureen Forrester and many others made use of his talents. He was a professor at McGill University for nearly 40 years, and three generations of students reaped the benefits of his knowledge, his generosity and his immense sensitivity.

Baritone Jan Hugo Simons was born in Düsseldorf, Germany, and spent his childhood in The Hague. Concerned about the rise of Nazism in Europe, his family emigrated to Montreal in 1939, a few months before the Second World War began. He studied in Montreal and made his stage debut accompanied by a young Oscar Peterson. No one will forget his elegant interpretations of lieder and oratorios. In 1963, he became a professor at McGill University. He also taught at Marianopolis College and Vanier College. Today, a number of his students are singing on major stages around the world.

Thanks to the dedication of Sandra Wilson, with the assistance of Nadia Turbide, the Thursday evening tribute concert gave us an opportunity to remember these two great musicians and listen to some of their students. The piano soloists and accompanists

paid tribute to Charles Reiner with both their excellence in playing and the way they listened attentively to the soloists, singers and instrumentalists. For their part, the vocal artists called to mind the technique and subtle interpretation taught by Jan Simons.

It was a memorable evening at the Schulich School of Music at McGill University, as memorable as the two teachers we remembered with sadness, of course, but also with admiration and gratitude, two great artists who chose to make a new life in Canada.

[English]

GORDIE SAMPSON

CONGRATULATIONS ON WINNING GRAMMY AWARD

Hon. Jane Cordy: Honourable senators, I rise today to congratulate Gordie Sampson, who this past Sunday became Cape Breton's first Grammy winner. Gordie won the award for co-writing the song *Jesus, Take the Wheel*, which was recorded and performed by *American Idol* winner Carrie Underwood. The song went on to top the billboard charts of the United States for six weeks last year.

Gordie has been interested in music since the age of six, starting with guitar, learning piano and then drums. He has spent much of his time in Nashville writing songs for other artists, but managed to find the time to record his second solo album and is currently working on his third album. The native of Big Pond has worked with some of the biggest names in music, and now winning the highest honour the music industry has to offer bodes well for a long and successful career.

I wish to send my best wishes and congratulations to Gordie Sampson for receiving such an honour.

[Translation]

VISITORS IN THE GALLERY

The Hon. the Speaker pro tempore: Honourable senators, I wish to draw to your attention the presence in the gallery of Sheikh Ali Sbayti, the Imam of Montreal's Muslim community centre and representative of the Ahlul-Bayt centre in Ottawa; Sayed Nabil Abbas, representative of the Islamic Shiite Supreme Council in Canada; Faraj Naklah, president of the Canadian Palestinian Foundation of Québec; Sheikh Said Fawaz, representative of the Muslim World League; and Dr. Bashar El-Solh, president of the Canadian Muslim Forum (Sunni).

They are guests of the honourable Senator Marcel Prud'homme, P.C.

On behalf of all senators, I welcome you to the Senate of Canada.

UNIVERSITY OF OTTAWA

SCHOLARSHIP FOR HUMAN RIGHTS STUDIES

Hon. Marcel Prud'homme: Honourable senators, surely one of the greatest things a senator can try to do is bring Canadian citizens together. As you know, this evening an important event

[Senator Champagne]

will take place, an event to bring closure to the ordeal suffered by Maher Arar and his wife, Monia Mazigh. They will be the guests of honour at a reception in room 200, where all Canadian communities will express their friendship to the couple.

Today, I have tried to show my fellow senators that, in Canada, it is possible to unite people of all linguistic and religious backgrounds. I urge you to follow the example you see before you in the gallery today by showing greater openness to these new Canadian citizens.

• (1350)

Gathered here today are Christians, Sunnis and Shiites, most of whom came from a troubled part of the world; either Palestine or Lebanon.

I will be there with MPs Meili Faille, Omar Alghabra, Bill Casey, Stéphane Dion, Jack Layton and Gilles Duceppe to present them with the Charter of Human Rights to mark the establishment of the Arar-Mazigh Scholarship in Human Rights, a bursary for human rights studies at the University of Ottawa, which is to be inaugurated and announced this evening.

I would like to thank you for being so kind as to welcome these people, who represent their communities at the highest level. I hope they will understand that, in Canada, it is possible to work together and that the diaspora has a major role to play in bringing rationality and peace back to that troubled part of the world.

[English]

ROUTINE PROCEEDINGS

FOOD AND DRUGS ACT

BILL TO AMEND—REPORT OF COMMITTEE

Hon. Tommy Banks, Chair of the Standing Senate Committee on Energy, the Environment and Natural Resources, presented the following report:

Wednesday, February 14, 2007

The Standing Senate Committee on Energy, the Environment and Natural Resources has the honour to present its

FOURTH REPORT

Your Committee, to which was referred Bill S-205, An Act to amend the Food and Drugs Act (clean drinking water), has, in obedience to the Order of Reference of Tuesday, October 31, 2006, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

TOMMY BANKS
Chair

He said: Honourable senators, this is Senator Grafstein's water bill, which we have seen before, and I am happy to inform the Senate that this report is presented unanimously.

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

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

STUDY ON ASSISTED HUMAN REPRODUCTION ACT

REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE TABLED

Hon. Art Eggleton: Honourable senators, I have the honour to table, in both official languages, the ninth report of the Social Affairs, Science and Technology Committee, which deals with proposed regulations under section 8 of the Assisted Human Reproduction Act.

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

• (1355)

[Translation]

ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

BUREAU MEETING, JANUARY 16-19, 2007— REPORT TABLED

Hon. Andrée Champagne: Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the Canadian Section of the Assemblée parlementaire de la Francophonie, which participated in the APF Bureau meeting held in Châlons-en-Champagne, France, from January 16 to 19, 2007.

QUESTION PERIOD

PUBLIC WORKS AND GOVERNMENT SERVICES

ADVERTISING EXPENDITURES

Hon. Céline Hervieux-Payette (Leader of the Opposition): Honourable senators, I would like to express my best wishes for a speedy recovery for the Honourable Leader of the Government, who is feeling ill today.

My question is for the Minister of Public Works and Government Services. My honourable colleague opposite and I would probably both agree that Quebecers have been stunned by the Quebec Conservative Party's new advertisements.

What the minister and his party may not realize is that Quebecers should not be surprised by the desperation shown by the Conservatives in resorting to such tactics. I agree with their

strategists that they have good reason to fear the credibility of the new leader of the Liberal Party.

Will the minister please tell us if the company Republik Publicité+Design, chosen to create the somewhat bizarre advertisements, has obtained contracts from the new Conservative government, which has been in power for nearly a year?

Hon. Michael Fortier (Minister of Public Works and Government Services): I thank the honourable senator for her question. I can verify whether or not the advertising firm has received contracts from the Conservative government, but I believe the advertising campaign was run by the Conservative Party. Thus, it is the Conservative Party that paid for the advertisements.

I assume that Senator Hervieux-Payette's question pertains to government contracts. I will look into it and report back to her.

Senator Hervieux-Payette: Honourable senators, could the minister find out for us, as part of his inquiries, how much money his department has spent on public opinion polls in the current fiscal year, and how much this government will have spent on advertising for all departments by the end of the current fiscal year, on March 31, 2007?

Senator Fortier: I understand that the question pertains to the entire fiscal year. I thought that the Leader of the Opposition wished to obtain information for the year to this point. I can wait until the end of the fiscal year to answer her question, unless she would like me to stop the clock today.

Senator Hervieux-Payette: I think that the answer should cover the period of one year less a month. That would give us an idea of the amounts spent on advertising by the current Conservative government.

Senator Fortier: I would be pleased to report back when I have the information.

SALE OF PUBLIC BUILDINGS

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, the Minister of Public Works and Government Services has confirmed the government's plan to sell public buildings to private interests, and then lease them back in order to avoid spending billions of dollars on maintaining these buildings.

According to the minister, the goal is to stop the hemorrhaging and to avoid even higher renovation expenses for the buildings in question in the next five, ten or fifteen years. Can the minister explain how Canadian taxpayers will save money with a fire sale of these public buildings to private interests?

• (1400)

Hon. Michael Fortier (Minister of Public Works and Government Services): I thank the honourable senator for her question. No decision has been made on the suggestions from the group of experts I met with in the summer. I think it is important to point that out. Nonetheless, if by chance the sale of these buildings goes through, I would not describe this as a fire sale.

What I have observed in this portfolio is probably not much different than what Mr. Bryson, your colleague, observed less than two years ago. This is a portfolio that, unfortunately, was neglected for a number of decades — I am not blaming any government in particular. When governments are faced with priorities and choices and it comes time to spend taxpayers' money, sometimes the highest priority is not to reinvest in roofs, elevators, windows, floors and walls.

These assets belong to everyone, not just one person. In the past 45 years we have accumulated a colossal bill in reinvestment. As I said, I noticed that we have behaved like very bad property owners. We have accumulated, over those years, one of the largest portfolios in North America, with 375 buildings. Today, if we were to start over by collectively asking what we need to provide services to Canadians under the Constitution, we could ask whether we truly need a network of 375 buildings. I think the answer lies in the question.

Senator Tardif: In light of the rumours going around, can the minister assure us that he intends to exclude the heritage buildings at issue in the Auditor General's report?

Senator Fortier: I can assure you that no decision has been made. We will certainly take into consideration the heritage aspects of the buildings we own, regardless of the solution we come up with.

[English]

VANCOUVER—PROPOSAL TO NAME
FEDERAL BUILDING AFTER
THE LATE HONOURABLE HOWARD GREEN

Hon. Hugh Segal: Honourable senators, my question is for the Minister of Public Works and Government Services. I note that the minister's department announced the creation of a new advisory group relative to the naming of a federal government building in Vancouver in honour of the Late Honourable Howard Green. While I appreciate the department's and the minister's desire to be respectful of various opinions expressed relative to that possible naming, could he assure this chamber that in the consideration of options for naming that building there will be no prima facie rejection of the compelling merits associated with the name of Howard Green?

Hon. Michael Fortier (Minister of Public Works and Government Services): I thank the honourable senator for his question. I referred the matter back to committee after it was discovered last October that a controversy surrounds the name. I asked the committee to meet again to determine whether it would stand by its recommendation, but the committee could not reach a consensus. I chose to form another committee, and when I issued the press release I said that the matter would be open to any and all suggestions — no exclusions. If individuals wish to put forward the name of Howard Green again, they can do so, and I will put that in the hands of the committee and await its recommendations to me.

AUDITOR GENERAL'S REPORT—
CONDITION OF HERITAGE BUILDINGS

Hon. Terry M. Mercer: Honourable senators, my question is for the Minister of Public Works and Government Services. Senator Tardif's question on the sale of government buildings reminds me of an advertisement that aired on television frequently. Perhaps

the minister never saw that ad for oil filters for cars, but the tag line was, "You can pay me now or you can pay me later." The maintenance on buildings must be paid. If we own the buildings, we should do so.

• (1405)

According to a recent report by the Auditor General, federal heritage buildings are at risk of falling down because of the weak conservation policy of Canada's new government. The federal government owns 1,300 federal heritage buildings and some national 206 historic sites, some of them belonging to the Department of Public Works. The Auditor General's report says that there exists only sporadic efforts to conserve these buildings. Will the Minister of Public Works and Government Services provide a list of all the buildings owned by his department and assure us that the needs of these buildings are being addressed to prevent them from falling down?

Hon. Michael Fortier (Minister of Public Works and Government Services): Honourable senators, we indicated clearly to the Auditor General yesterday that we take these matters seriously. We will be looking at options to ensure that in the future proper care and attention is given to those assets so they are properly maintained, which is really what we all wish to be done.

Senator Mercer: I thank the minister for his response.

Honourable senators, it seems that all is not well with the relationship between members of Canada's new cabinet. According to the Auditor General, the reason that there exists only sporadic efforts to conserve these buildings is because of a gap in departmental policies and cooperation between — guess who — Public Works and Government Services Canada and Treasury Board.

Will the Minister of Public Works and Government Services assure this chamber that steps are being taken to work with his colleagues at Treasury Board to ensure that their policies relating to heritage buildings are structured to prevent these buildings from falling down? Will the minister ensure that the sites under his department and which are referred to in the Auditor General's report will be there tomorrow?

Senator Fortier: Honourable senators, I can reassure my honourable friend that I personally get along well with my colleagues in cabinet and even my colleagues outside cabinet. The former President of the Treasury Board and the new President of the Treasury Board asked those employees within government to speak to one another. In terms of the folks who are actually on the ground, she is correct: There needs to be better coordination between all the different departments that interact with respect to these types of policies. Treasury Board officials and officials of the Department of Public Works do get involved in the maintenance of these assets and they need to better coordinate their efforts.

GREENHOUSE GAS EMISSIONS—REPLACEMENT
OF CABINET FLEET WITH HYBRID VEHICLES

Hon. Robert W. Peterson: Honourable senators, my question is to the Minister of Public Works. Canada's new government will drive into Toronto today to deliver \$36 million to help get more green cars on Canadian roads. Meanwhile, the parliamentary precinct has countless vehicles that could be replaced with hydro technologies as an example of leadership.

[Senator Fortier]

Can the Minister of Public Works and Government Services assure this chamber that a plan is being developed to procure replacements for these gas-guzzling vehicles so that the government will fulfill its commitments to a cleaner, greener Canada?

Hon. Michael Fortier (Minister of Public Works and Government Services): Honourable senators, I think I answered a similar question last spring.

The Department of Public Works and Government Services is responsible for replacing the car fleet that we own. Every single car that we are purchasing is to be a hybrid car. That is the direction from the department. Unless the honourable senator knows something that I do not know, I repeat: Every single car that has been replaced has been replaced by a hybrid vehicle.

ANNOUNCEMENT OF ENVIRONMENTALLY FRIENDLY PROGRAMS

Hon. Robert W. Peterson: Honourable senators, in light of the Prime Minister's new-found pledge to protect the environment, this amount of money for Toronto pales in comparison to the recent announcement of almost \$350 million for Quebec's environmental plans. It appears that Canada's new government has a flare for taking old Liberal funding for the environment and reintroducing it as new money.

• (1410)

Can the minister assure us that there will be new funding coming from his department to help fight pollution — or will there be a recycling of funding promised by the old Liberal government?

Hon. Michael Fortier (Minister of Public Works and Government Services): The honourable senator is asking me whether my department will make announcements with respect to environmentally friendly policies. Within my department, as Senator Peterson well knows, there is the Office of Greening Government Operations, OGGO, which I addressed in the past and which has been in place for a little over a year. Under OGGO's mandate, with respect to the very important and significant supply chain to the government, more and more of our suppliers are conserving energy and recycling, and we are using our purchasing power to instil discipline within the supply chain. Public Works and Government Services Canada is proud of the Office of Greening Government Operations.

GREENHOUSE GAS EMISSIONS—REPLACEMENT OF CABINET FLEET WITH HYBRID VEHICLES

Hon. Joan Fraser: I believe it was a question that I put to the minister last spring to which he referred in responding to Senator Peterson.

Senator Fortier: A different seat.

Senator Fraser: Slightly. At that time, I was asking about the fleet of cars used by ministers. As I recall, the answer was that Canada's new government was stuck with the fleet that had been bought by the, dare I say, wonderful old government.

Canada's government is now the new government, and the answer that was given then and the statistics that were available then were out of date. Hence, I would be grateful if the minister would undertake to provide for us the most recent statistics on the composition of the government's entire fleet, beginning with cars used by ministers. Also, I do not think Minister Fortier needs to take this as notice, although the quest for statistics would be notice: Could he tell us, now that Canada's former and new government has become a green government, whether he is extending to the whole of the government fleet the order that I gather the Prime Minister has given — better late than never — that ministerial cars on Parliament Hill should not sit around idling their engines? We know that is the easy way to cut greenhouse gas emissions. Is there a policy in force for the government's entire fleet?

Hon. Michael Fortier (Minister of Public Works and Government Services): I thank the honourable senator for the question. With respect to the ministerial car fleet, she is right. We are waiting for these cars to go past their "sell-by" date before we replace them.

With respect to an edict, I certainly read it, although it was meant for the ministerial drivers. I think many people read into it that everyone in government should be aware that idling is damaging to our environment and should use common sense when sitting behind the wheel of a government-owned car.

With respect to a government-wide edict, I am not aware that there is one. I could look into it, however.

Senator Fraser: Would the minister take back to his colleagues in cabinet the concept that common sense on this matter has been around for some time and has not been that effective and that perhaps it is time for the Government of Canada to order the drivers of its vehicles not to idle their engines when stopped, unless there is an overwhelming reason, such as national security, for doing so?

Senator Fortier: Honourable senators, I shall take that under consideration and discuss it with my colleagues.

UNITED STATES—DISCRIMINATORY ASPECTS OF INTERNATIONAL TRAFFIC IN ARMS REGULATIONS

Hon. James S. Cowan: My question is for the Minister of Public Works and Government Services.

International Traffic in Arms Regulations of the U.S. State Department require Canadian companies that receive defence contracts from the U.S. government or sub-contracts with American defence companies to comply with U.S. security measures. These measures require the U.S. to deny access to data, products, services and even employment to citizens who hold dual citizenship or who were born in countries deemed to be threats to American national security.

What is this government doing to ensure that these discriminatory rules are not applied to disqualify Canadian suppliers and citizens?

• (1415)

Hon. Michael Fortier (Minister of Public Works and Government Services): As the honourable senator knows, the Prime Minister has raised this issue with the President, the foreign minister has raised it with his counterpart and the defence minister has done the same. The Americans are very much aware that we take exception to the extraterritorial approach in the legislation. We will continue defending Canadian businesses and their right to use Canadian nationals to work on any and all contracts that they get, whether it is from a U.S. company or a non-U.S. company.

Senator Cowan: How long would the government expect to wait before receiving a response from their friends in the White House?

Senator Fortier: I do not like that characterization. In some cases, Canadian companies that have contracts with U.S. companies have had to move employees around. These cases are well known and we have protested, along with these Canadian companies. These companies are trying to get business from U.S. companies that need to comply with ITARs, so we are protesting to the proper authorities in the U.S. the application of this act to Canadian nationals. We have seen some improvement.

On the acquisition of the C-17, the Department of Public Works is responsible for buying those aircraft. We have clauses in the contract ensuring that the purchase of these aircraft from Boeing is executed without the application of ITARs, which is a positive development.

We will continue talking to our friends in the U.S. on behalf of smaller Canadian companies. Since we are the Canadian government, when we buy an asset it is different from a Canadian company servicing a U.S. company that is stuck having to apply ITARs. However, we will continue to stick up for Canadian companies and ensure they do not have to move employees around because they have dual nationality.

Senator Cowan: With respect to the C-17s, did I understand the minister to say that the Americans have agreed that ITARS will not apply, so there will be no discrimination or restrictions on access by Canadian subcontractors to data and no restrictions with respect to dual citizenship?

Senator Fortier: We are buying the aircraft from Boeing, so the process of purchasing these aircraft is not subject to that rule. We have a contractual undertaking from Boeing that this purchase is outside of ITARS. We take delivery of the aircraft and no Canadian suppliers are involved.

The aircraft are already built to fly, which is very different, as the honourable senator understands, from a supplier based in Toronto that has a contract with Boeing to build part of an asset that Boeing builds for other countries. We are buying and taking delivery of something that is already built.

[Translation]

Hon. Jean-Claude Rivest: Honourable senators, I realize that the Canadian government must continue its negotiations with the American government to explain Canada's legal and constitutional reality. I also realize that mutual economic and financial interests must be respected.

However, the minister is well aware that, in Quebec for example, a worker of Moroccan origin, an honest citizen of Canada for some 15 years who was working for Bell Helicopter, lost his job, or was transferred to another job that is not related to his abilities and personal expertise because of Bell Helicopter contracts. The Canadian government, regardless of the nature and importance of these negotiations with the American government, will, in this specific instance, get a decision issued by Quebec's rights and freedoms commission, under both the Quebec and the Canadian Charters.

• (1420)

Does the minister realize that the Canadian government has the primary responsibility for ensuring the respect of Canadian constitutional laws within its jurisdiction, and that regardless of the outcome of these discussions with the American government, it will, as a government, have to ensure the respect of these laws? If this Moroccan worker wins his case, then, in all likelihood, the Canadian government will have to give him back his job to abide by its own laws. Is not the primary responsibility of a government to ensure the respect of its own laws in its jurisdiction?

Senator Fortier: I thank the honourable senator for his question. Of course, I fully understand the regulatory framework that applies to this type of situation in Canada.

In the case of a contract between a private company, such as Bell Helicopter, and a client in the United States, the private company may decide to transfer an individual to another position so that it can keep the contract. If a company like Bell Helicopter does not do so, it could lose the contract. We are aware of what happened, and we complained to the American authorities. As I explained, the Prime Minister raised this issue with Mr. Bush and Mr. McKay did the same with Ms. Rice, and we will continue to denounce the extraterritorial application of these laws.

American companies that have to deal with these laws find themselves in a difficult position when they give contracts to private companies, just like private companies in Canada risk losing their contracts if they do not comply with their American clients' demands.

This is a bad situation for some Canadian contractors. The good news is that such cases are rare. That is very good news, but the bad news is that it is still happening. We must to protest when such situations arise.

[English]

Hon. Marcel Prud'homme: Honourable senators, let me be very clear: A Canadian is a Canadian is a Canadian. The only way to debate this issue is to have a discussion in which the Prime Minister and Mr. Bush are involved directly. That gives us some consolation, but I should like to help the minister in his reflections.

In 1979, Parliament had before it a bill that was not passed because an election was called on Monday night, March 26, 1979. Under that bill, involvement in primary, secondary or tertiary contracts with Israel would have been allowed and no clause would deprive Canadians of Jewish faith from participating in any of these contracts.

To me, that was disgusting and unacceptable. My position at that time was very clear: It was unacceptable to deprive Canadians of anything because of their religion or for any other reason.

This question is not a personal attack on the minister. His staff is well equipped and I hope they will research what took place in March 1979 when we had a similar situation. Fortunately, an election was called and we never had to decide the matter. The bill was referred to the House Committee on Foreign Affairs and National Defence, which I chaired. We sent it back to the House where it was debated. Unfortunately, a prominent Liberal of the time conveyed to the Conservatives the discussion that took place in our caucus, which was not acceptable to either the Prime Minister or me.

There are precedents for such proposals as this and we should never allow them. I know it is difficult to refuse a big contract, but private industries, like others, should know that a Canadian is a Canadian.

• (1425)

[Translation]

Senator Fortier: Honourable senators, I would like to thank Senator Prud'homme, and I agree with what he said. I think what I have been saying for the past 10 minutes is in sync with what he just said. We will continue to protest the application of these measures in Canada. The good news is that very few cases have arisen, but we still have to look at the situation as a whole because even one case is too many.

DELAYED ANSWER TO ORAL QUESTION

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour to table an answer to the oral question raised by Senator Lorna Milne on February 1, 2007, concerning the Canadian Wheat Board, plebiscite on marketing of barley.

AGRICULTURE AND AGRI-FOOD

CANADIAN WHEAT BOARD— PLEBISCITE ON MARKETING OF BARLEY

(Response to question raised by Hon. Lorna Milne on February 1, 2007)

The question on the ballot in the barley plebiscite as originally announced is very clear and is not being changed. Farmers will be easily able to determine which option on the ballot reflects their preference.

The minister has asked officials to revise and simplify the producer declaration form that will accompany the ballot. This action was taken in order to ensure the widest possible participation in the plebiscite. The producer will sign the producer declaration form in order to declare that he/she is eligible to vote (i.e., has produced grain in 2006 and has produced barley in at least one of the past five years).

The cost of revising the producer declaration has yet to be determined. Once this is done, the cost will be tabled in the Senate as requested.

Voters will have the same amount of time to vote as before although the mail-out was delayed a week. Ballots were mailed out beginning February 7 and the final day for ballots to be postmarked will be March 13.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, pursuant to rule 27(1), I wish to inform the Senate that, when we proceed to Government Business, the items shall be called in the following sequence: Item No. 1, Item No. 4, Item No. 2, Item No. 5, Item No. 6 and Item No. 3, all under Bills. All remaining items will then be called in the order in which they stand on the Order Paper.

BUDGET IMPLEMENTATION BILL, 2006, NO. 2

THIRD READING

Hon. Consiglio Di Nino moved the third reading of Bill C-28, A second Act to implement certain provisions of the budget tabled in Parliament on May 2, 2006.

He said: Honourable senators, I would like to speak today on the occasion of the debate at third reading on Bill C-28. This bill will implement certain tax measures that were not included in the budget implementation bill that was adopted last year and received Royal Assent on June 22, 2006.

Budget 2006 focussed on this government's priorities: delivering results for Canadians on the issues that are most important to them. Our achievements on these issues have already begun benefiting Canadians.

Our first budget laid the groundwork so that we can continue to reach new heights and build an even greater country.

Let us look at the measures that were announced in the 2006 budget to give effect to our overall plan. We gave significant tax breaks to all Canadians. We took steps to make sure taxpayers' money would be spent wisely. We invested in families, education, industry, security and infrastructure, but that is, by no means, all.

[English]

I think, beginning with last October's introduction of the Tax Fairness Plan for Canadians, that this plan was built on the steps taken in Budget 2006. It reduced the general corporate income tax rate one half percentage point for businesses as of January 1, 2011. The plan will provide tax relief for low- and middle-income seniors. Moreover, for Canadians receiving a pension, in a major policy change, the government will permit income-splitting for pensioners beginning in 2007. This will significantly enhance the incentives to save and invest for family retirement security.

All told, the tax fairness plan provides \$1 billion per year in tax relief for seniors and pensioners.

• (1430)

[Translation]

Then, in November, the government published *Advantage Canada: Building a Strong Economy for Canadians*, a national, long-term economic plan designed to make Canada a true leader in the global economy. The plan, unveiled along with the economic and fiscal update, features a new national objective to eliminate Canada's total government net debt in less than a generation and further reduce taxes for all Canadians.

Ultimately, honourable senators, what the government has done, is create new opportunities for all Canadians.

[English]

It is on those opportunities from Budget 2006 that I would like to focus my remarks today.

Canada's new government believes in creating those new opportunities for Canadians, wherever they live, and that is what Budget 2006 — and, indeed, the measures in this bill — will do.

[Translation]

Bill C-28 incorporates a number of measures that reflect the government's desire to invest in education, training and transition to work opportunities, so that Canadians can achieve their full potential and have the choices they want.

Let us first examine the measures related to education. As we all know, helping our children pursue a college or university education can be very expensive, especially when it comes to purchasing textbooks. In order to help those facing these expenses, Bill C-28 proposes introducing a new, non-refundable tax credit, in recognition of the cost of textbooks. This measure will apply as of the 2006 taxation year.

This new tax credit will benefit nearly two million post-secondary students. Given that many Canadians are pursuing part-time studies, I am pleased to announce that both full-time and part-time students will be entitled to the textbook tax credit.

[English]

That is a good move, is it not? Helping students with the cost of textbooks is just one of the steps that Canada's new government has taken to help post-secondary students with their education-related expenses.

Many students earn scholarships to help them meet their tuition expenses. Under current legislation, only the first \$3,000 in scholarship, fellowship and bursary income received by post-secondary students is not taxed. In other words, any money received in excess of \$3,000 is included as income for tax purposes. This government believes that students should be rewarded, not penalized, for their hard work at school. That is why Bill C-28 contains a proposal to fully exempt scholarship, fellowship and bursary income from tax.

This important measure will provide tax relief to more than 100,000 deserving post-secondary students. These two measures contained in this bill recognize the importance of a more educated

and skilled labour force to improve Canada's competitiveness in today's global economy.

Honourable senators, certainly education is important, but there is also a need to help Canadians find the right job. We often hear of employers who are looking for people to fill the need for skilled workers. This is especially true in the construction industry, although not exclusive to it. Budget 2006 helps by proposing a new apprenticeship job creation tax credit. This credit will encourage employers to hire new apprentices to learn a skilled trade.

Under the measures proposed in Bill C-28, eligible employers will receive a tax credit equal to 10 per cent of the wages paid to qualifying apprentices in the first two years of their contract, to a maximum credit of \$2,000 per apprentice per year.

In the words of the Leah Myers, President of Durham College:

... apprenticeship tax credits and incentives is an important step toward helping Canada develop a better skilled and educated workforce that is able to compete in today's global economy.

That comment was in a Canadian Construction Association news release of May 2, 2006.

[Translation]

The government recognizes that it can also help Canadians once they finish their education and enter the workforce. That is when the new Canada employment credit can be of help. This new tax credit, announced in budget 2006, is complementary to the individual income tax cut and takes into account the additional costs to Canadians entering the labour force. These costs might be related to buying uniforms for work at a store or in a company, or the cost of special safety equipment, which is required for those who work on a construction site.

Sometimes, for low-income workers in particular, these costs can be the determining factor in whether they accept a job or not. The Canada employment credit changes things by covering some of the employment-related costs for Canadians.

Over the course of a year, the credit offers a \$500 tax deduction on employment income in 2006. Since it came into effect in the middle of the year, Canadian workers will be entitled to a \$250 tax deduction in 2006. Effective January 1, 2007, the employment credit will double, rising to \$1,000 a year.

[English]

Complementing the Canada employment credit in providing financial relief for work-related expenses is a new tax deduction for tool expenses for people working in the trades. Many people employed in the trades must own their own tools as a condition of employment. To provide assistance to these workers, Budget 2006 provides a tax deduction of up to \$500 for the cost of tools in excess of \$1,000. The Canada employment credit and tools deduction together will provide tax relief to some 700,000 employed tradespeople.

[Senator Di Nino]

• (1440)

Earlier in my remarks, honourable senators, I spoke of the benefits this bill provides for people from coast to coast. Speaking of coasts, Bill C-28 provides relief for fishers who sell their interests in fishing licences and other fishing property. Afforded the same treatment as farmers, fishers will benefit from a \$500,000 lifetime capital gains exemption and be able to defer tax when they transfer fishing property to their children or grandchildren.

According to Lawrence MacAulay, the Member for Cardigan, Prince Edward Island, and former minister and Secretary of State, the government's tax relief measures for fishers:

... will be a boost to rural communities and young fishers trying to get into the industry. Without the tax exemption, prices for fishing fleets were reaching exorbitant and prohibitive costs for newcomers to enter the field. When I heard it announced, I stood up and applauded them. ... I'm tremendously pleased that this has been achieved.

That is a quote from the Charlottetown *Guardian* of May 4, 2006.

Honourable senators, I am sure you will agree with Mahatma Gandhi, who said, "It is health that is real wealth." This government certainly agrees with that sentiment. That is why we introduced the children's fitness tax credit in Budget 2006. This investment in the health of our children will help make it possible for more young Canadians to be involved in sport and physical activity. At the same time, it gives parents a tax break. It is available on up to \$500 of eligible registration fees.

I am pleased that we are delivering on this important commitment to Canadian families. The credit will apply to an ongoing supervised program suitable for children under the age of 16 in which substantially all of the activities undertaken include a significant amount of physical activity that contributes to cardio-respiratory endurance.

It is important to emphasize that substantial additional support will be provided to children eligible for the disability tax credit to recognize the unique barriers they face in becoming more active. It is our hope that this grant will improve children's fitness and, eventually, the health and well-being of our entire population.

The intent of this measure is to encourage children to get into the habit of regular physical activity, and others agree with us. Chris Rudge, CEO of the Canadian Olympic Committee, said:

We acknowledge the good first step that the government has taken in this new Children's Fitness Tax Credit which will help more children become involved in sports and physical activity.

That quote is contained in the Canadian Olympic Committee Press Release, dated May 2, 2006.

On the issue of public transit, Bill C-28 will authorize a tax credit for annual or monthly passes effective July 1, 2006. This will ease traffic congestion, especially in our busy urban centres,

and increase affordability for the approximately 2 million public transit users in our country. Gloria Kovach of the Federation of Canadian Municipalities said that the "transit tax credit should revitalize public transit and contribute to a healthier environment and cleaner air."

[Translation]

Honourable senators, Canada's new government is working on behalf of Canadian families, students, workers and seniors. Measures proposed in Bill C-28 benefit them and the entire country. This government will continue to do everything in its power to ensure that Canadians benefit from available opportunities. Measures contained in this bill will foster prosperity for today's Canada and for future generations. I trust, honourable senators, that you will give this bill due consideration.

[English]

Hon. Leonard J. Gustafson: With respect to the sharing of pensions in this bill, is there any limit to the amount or any cap?

Senator Di Nino: Yes. I believe the honourable senator is talking about the ability to file one tax return; the ability for pensioners to be able to, in effect, file together, so that they diminish their tax payable. Is that what the honourable senator is talking about?

Senator Gustafson: Yes.

Senator Di Nino: The measures in Budget 2006, including C-28, increase the pension income credit from \$1,000 to \$2,000 and allow pensioners to combine the two pensions, including RRSPs — only if they are over 65 — in order to reduce their payable tax.

I believe there is a maximum, but I cannot tell my honourable friend what that is offhand.

Hon. Percy Downe: The Honourable Senator Di Nino quoted Liberal MP Lawrence MacAulay in some detail in his speech about how pleased Mr. MacAulay was with the initiative on fishers, as he called them — fishermen and women who work in the industry — and how pleased he was that the government adopted the initiative.

Is the senator aware that this initiative was moved by Mr. MacAulay? It was his initiative that the government adopted, not the government's initiative.

Senator Di Nino: I know that there was some initiative in the House of Commons, which I believe included some of our own members, such as Gerald Keddy. That is not the important thing. What is important is that this government took action on an issue of great importance to the Atlantic Provinces. Whether it is your idea, our idea or a joint idea, it does not make any difference. The important thing is that the Harper government said, "That is a good idea; let us put it into place." Many people across the country, but particularly in the Atlantic Provinces, will benefit from it.

Senator Downe: I agree fully that it is a good initiative, but I do not think the proper credit was given to Mr. MacAulay, who led this initiative. He led it on behalf of the fishers of Eastern Canada. The government ended up in a bind in the House of Commons. Check the transcript. They were in the position of either voting against the motion or voting for it, and at the last minute the government caved. Had it not been for Mr. MacAulay, this initiative would not be here today.

Hon. Yoine Goldstein: Does the honourable senator have any idea or any statistics about how many Canadian lower-class and middle-class families will be able to take advantage of the \$500 tax credit for youngsters involved in sport and physical activity?

Senator Di Nino: I think my colleague, Senator Mitchell, will answer the question for me.

I do not think that is possible to ascertain without doing great research. I do not have an answer for that question. Having said that, I can tell the honourable senator that we have had tremendous interest, including my office, from people asking for information on how to apply for this credit. I am involved in a number of initiatives in the city of Toronto, many of which relate to children. I have been also helping organizations that provide facilities for physical activity for children. There has been a great deal of interest, but I cannot specifically answer the honourable senator's question.

• (1450)

Hon. John G. Bryden: Will the honourable senator take a question from me?

Senator Di Nino: Absolutely.

Senator Bryden: He is an equal-opportunity senator.

To follow-up on Senator Gustafson's question on the sharing of pension funds so that taxes are paid together, which pensions are those?

Senator Di Nino: To the best of my knowledge, it is any pension that any pensioner receives, including RRSPs; but I believe that RRSPs are only included if the pensioner is 65 years or older. I believe the Canadian Pension Plan, corporate pension plans and the Old Age Security pension are all included.

Senator Bryden: I have a supplementary question. This was done in the 2006 budget — is that what the honourable senator is saying?

I shall give the honourable senator a little more information. It is my understanding — and sorry for the language — that after having broken its word on the income trusts issue, the government decided that one of the ways to soften up senior citizens was to allow senior citizens who lost 20 per cent of their investments as a result of that decision to be able to average their pension income. This would apply to senior citizens over the age of 65 who were husband and wife. For example, I could put my Senate income in with my wife's, as well as any RRSPs, if I were lucky enough to have RRSPs. Then, for tax purposes, the two levels of income would be the same.

That is a good thing, except that it has not happened yet. It will not happen, as I understand it, until the budget bill of 2007. Is that correct?

Senator Di Nino: I believe the measure was contained in the 2006 budget. It is not specifically part of Bill C-28. I am tempted to say that it was included in the first budget implementation bill, but not having the detailed information about that first bill with me, I really cannot say for sure.

What I can tell the honourable senator is that the measure was universally applauded by the seniors across this country. It is probably one of the most positive things to have been done for seniors by a government, particularly in light of the doubling of the pension income credit, from \$1,000 to \$2,000.

The honourable senator may be right on the 2007 bill. I cannot say that, but my recollection is that it was contained in the first part of the budget implementation bill; Bill C-28 is the second.

Senator Bryden: I know we are not in a debate, but I believe the announcement was made that this measure was being contemplated. However, my understanding is that legislation will be required — the budget bill that will come up — to make it apply to what is the largest portion of a senior's pension — that is, the portion received from an employer and RRSPs. For quite a long time, it has been possible to share CPP pensions — in other words, an individual who receives \$10 can combine his or her pension with someone who receives the maximum amount. They can average them out.

I appreciate that there is no reason for the honourable senator to come prepared to answer that question, but he was talking about one other issue, the \$500 tax credit to get young people active. I want to ask the honourable senator two questions.

I believe that it is the case, although not included initially, that dance has now been included as one of the activities that are eligible for the credit. At the same time, it was suggested that music be included as well. Does the honourable senator know whether or not both of those are included?

Senator Di Nino: At second reading I responded to that; I listed the activities that were included. As I said at the time, I do not think Revenue Canada has fully completed the list.

An expert panel report was prepared, which talks about any activity that would contain physical activity and have a certain cardiovascular value to it. Again, to the best of my knowledge, I am not sure that all of those specific activities have been defined, other than those that we put on the record the last time.

There was a question of some dancing — I think it was Senator Trenholme Counsell who asked the question. I believe dancing was on the list that I provided, but I think it was more of a specific dance program rather than all dances.

Senator Bryden: There was a controversy, in the sports area, over whether archery would be included. I thought it particularly apropos that we try to trace that down today, it being Valentine's Day and there being many Cupids wandering around. I wonder if the honourable senator could comment.

Senator Di Nino: If the honourable senator is suggesting that it should be, I am suggesting that it should only be if the person one is trying to reach with one's bow and arrow is five or six miles away, where one can hike to visit a sweetheart of either gender.

Senator Milne: Or you are running away from the arrow.

Senator Di Nino: Hiking is included. One would have to hike a long way before shooting the arrow for hiking to be included.

Hon. Grant Mitchell: Back to the question of pensioners' income splitting. Am I to understand that if a person has a defined benefit pension, which generally comes with relatively low risk, that individual could be entitled to split his or her pension income with a partner or spouse whenever the individual is entitled to collect a pension? Let us take the example of a teacher who could collect a pension at age 55 versus an individual who will be exclusively dependent on savings, whether RRSP, RIF or non-registered savings, who will not be able to split that income until age 65? You were at the meeting with the minister yesterday and I think that is exactly what he said.

Senator Di Nino: Because that matter is not part of Bill C-28, I am not sure I am competent to answer the question. It is complex. The honourable senator was there, as I was, and when the question was asked of the minister he said quite clearly that, for RRSPs, it would have to be after one reaches the age of 65.

Senator Mitchell: The honourable senator would agree, I would imagine, that it would not seem fair that someone who has a pension could start to split as early as age 55 — or as early as they could begin their pension — but that an individual who does not have a pension could not benefit from splitting until age 65, if the person has to depend on RRSPs.

Senator Di Nino: Honourable senators, I am not sure fairness is based on age; it is based on an ability to look after oneself. For all I know, not only does one have an RRSP, the individual may also have a pension plan and other income. Certainly, the fact remains that there is a different treatment for the two different pensions.

• (1500)

Hon. Jeremiah S. Grafstein: I have a curious question on income splitting as it relates to family law. Two pensioners might decide, perhaps just at tax time, to file their returns indicating that they have split their income for tax purposes. If that decision were made by one partner, would it require the partner in receipt of the benefit of income splitting to share that income stream with the contributing partner for that year?

Senator Di Nino: That question could better be answered by most of my colleagues in this chamber who are lawyers. If the honourable senator wishes, I would be pleased to obtain a proper answer to his question because I am not competent to respond to it.

Senator Grafstein: When the government provides an apparent benefit, it is important that there be a concomitant responsibility to share, in real terms, that revenue stream for that current year. That is my understanding of the proposal. It is important that the public understands that the taxpayer is not only entitled to the tax benefit but also to the income consequences such that the partner is responsible for sharing the revenue stream when income splitting is considered. The public must understand the responsibilities as well as the benefits.

Senator Di Nino: As we have seen in the past, the details of these measures will be contained in the interpretation bulletins and explanatory notes that will accompany the passage of the bill. I am quite confident that those charged with the responsibility of ensuring that the public has full understanding of the new measure will deal with those issues. If the honourable senator is specifically asking me to inquire and obtain a response, I will do so. Otherwise, the information will be contained in the accompanying interpretation bulletins and explanatory notes.

Senator Mitchell: Honourable senators, I would like to contribute to the third reading debate of Bill C-28 with a few summary comments. I will put them in the context of what our party leader, Stéphane Dion, believes should be the three elements of a modern 21st century Canadian government: a sustainable environment, social justice, and a strong, wealth-developing economy.

When taken in this context, the debate of this bill and what it reflects in the sense of this government's economic and social policies does not measure up particularly well to those three parameters. Nothing in this document deals with the environment; it does not deal with productivity in the economy, which is essential for a strong, sustainable economy; and it reverses advancement and progress on social justice because it literally punishes the vulnerable.

I was struck by a comment made last week by the Minister of the Environment, John Baird, when he raised his side of the argument to what can only be described as a new level of hysteria. He said that if Canada were to pursue the Kyoto Protocol in a reasonable way and measure up to its international obligations, the Canadian economy would collapse like the Russian economy collapsed.

Honourable senators, I feel the frustration that I am sure many Canadians feel because Bill C-28 so clearly underlines the government's failure to recognize the strong opportunity, potential and link between strong environmental policy and strong economic policy for the future.

The following analogy is emerging more and more in people's thinking, and I have heard it mentioned in a number of places. In 1939, we could not have imagined what it would take to participate as Canadians and win that war. Could we have imagined it, I bet that we never would have believed it possible. However, Canadians rose to the challenge and did it, and in doing so, fundamentally restructured our economy. For perhaps the wrong reasons, the Canadian economy became very strong as a result of that remarkable enterprise between 1939 and 1945. However, this government categorically denies that in some senses we are in much the same position today as we face the new challenge of the environment with climate change and the Kyoto Protocol. Perhaps the government cannot imagine that it is possible to meet this new challenge and that it can be done by Canadians. That causes tremendous frustration for me because I have a great sense of the energy and capability of Canadians to rise to any challenge, domestically or internationally, historic or otherwise; and this is domestic, international and historic. Why would this government diminish its appreciation that Canadians would be up to that challenge?

The government is hiding behind its lack of imagination and claims that living up to the Kyoto Protocol will destroy the Canadian economy. Why can the government not capture the idea that, quite to the contrary, this challenge is an historic opportunity that will stimulate our economy over the long term? At some time, the current nature of our economy will become exhausted and will not be sustainable, possibly because the world will no longer put up with pollution, as it has in the past, or because our resources will be less utilized or completely exhausted.

If we want a sustainable environment and a sustainable economy, we need to understand that the two converge. A 21st century government requires the imagination to capture that concept. It must understand that a sustainable economy and a sustainable environment are intertwined, but that understanding is not reflected in this document. This government is failing miserably by virtue of the fact that it has not captured the important element of what is possible for Canadians in this economy and in this environment.

To add insult to injury, what do we get? We get a tax credit for bus passes that, I believe, amounts to \$3 per week per pass. The former Minister of the Environment had the audacity to suggest that this policy is already responsible for getting the equivalent of 56,000 cars off the road. How many people are driving their cars today because the cost of taking a bus is too expensive by \$3 per week? No one. If you can afford to drive a car, you do not need to save \$3 on the bus. The reason people are not taking the bus or rapid transit is because it is not convenient or not available. You do not make it available at \$3 per week; you buy votes.

Senator Mercer: Mr. Baird can shut the thing down.

Senator Mitchell: He can shut the whole thing down in his home town. Perhaps the government thinks they can buy votes for \$3 per week. We cannot buy an environmentally sustainable future or strong national transportation policy or accessibility to the kind of rapid and public transit systems that we need if we are to have an effective economy and get people to where they need to go while paying respect to the environment in the way that we should. The savings of \$3 per week, I would argue, is nothing more than pure political spin. If the government were serious about a transportation policy and about the environment, they would do something about building public transit infrastructure, and they are not doing that.

• (1510)

There is a tremendous opportunity in Canada today, because I know that Canadians have grasped the importance of environmental policy. Sometimes to do the right thing in politics takes a great deal of political credit, and often great governments — I do not see one right now — have expended that credit to do difficult things.

This circumstance now is very different. The Canadian people understand the importance of this issue, and they are probably looking for, as we are over on this side, some support incentive for CO2 capture and storage, which would be a breakthrough in allowing the oil sands in Alberta to develop in an environmentally sound way, reduce greenhouse gases, carbon dioxide, and in fact

begin to develop a new industry for the future. One day, mark my words, CO2 will have great market value. I hope we will not see it evaporate into the air because this government did not have the predisposition to capture the opportunity by helping the industry capture carbon dioxide.

We have seen cuts to research and development, when in fact research and development is exactly what modern economies, modern governments are pursuing, because they see the new industry and economies of the future as being knowledge-based, science-based and research-based. This government has retreated to the 20th century, maybe to the 19th century, and cut research and development. Imagine if we were promoting research and development into environmentally sustainable technologies that would not only help us reach our Kyoto accord obligations, but would begin to form the basis of a new knowledge-based economy with new technologies and new industrial initiatives that we could export around the world. Canada could once again be a leader in an important international challenge.

We could develop conservation initiatives. One of the concerns in Nova Scotia would be trying to meet the Kyoto accord through cutting carbon dioxide and electrical generation which they believe would put a tremendous burden on their economy. It would increase costs. There are ways to minimize and mitigate that possibility. Imagine a government considering that possibility and anticipating that perhaps they could assist business and individuals in the Maritimes and elsewhere in this country to find ways to conserve energy so that as the cost per unit went up, the volume required would go down. In fact, honourable senators, the exact opposite happened. Immediately after they entered into government they cancelled the very programs that would facilitate that approach. Now, although they are arguing that they are somehow resurrecting them, it is clear that they will not fund them the way they had been funded. It is a poor second effort of “re-gifting” because it has not been funded properly.

I know that people on both coasts are concerned about the state of the oceans, and there are creative environmental initiatives which this government has not embraced to create ocean reserves which would be study centres, and in a sense national parks of the oceans. That is a new and modern initiative that other countries are embracing. I am from Alberta, and I am thinking of Drayton Valley. This government of dinosaurs cannot see the tremendous potential and contribution that this could make. They would be at home in Drumheller.

An Hon. Senator: Fossils and dinosaurs.

Senator Mitchell: I think half of the carbon dioxide that has been emitted into the air is as a result of transportation. Again, we see no initiative, no effort, no imagination here to begin to address the issue of transportation standards.

On the first element of a modern 21st century Canadian government, a sustainable environment, this government simply misses the bill. In fact, by missing the environmental bill, as it were, they miss the tremendous economic opportunity that would come with development in that area, and other countries are already leaping ahead of us. If we want to be an economy of the future and be competitive, to use a Conservative word, we had better get on top of things. It is not in this budget.

[Senator Mitchell]

Honourable senators might expect a Conservative government of the mind or the spin that somehow they are exquisitely good for economies and economic development would have confronted, in this economic document, the issue of productivity, but no. In fact, the foundation of their taxation policy is a cut to the GST by one percentage point, which will put \$5 billion back into the economy annually. The GST, as every waking, living, breathing economist knows, except the one who leads the government in the other House, is not an initiative that promotes productivity. It reduces productivity. They take one of the most significant issues facing our economy today as we fall behind our competitors in competitiveness, the U.S. for example, and they throw \$5 billion at making it worse. Instead, they should be looking at a much more aggressive taxation policy, among other things, that could enhance productivity.

That brings me to another point. During the election they made many promises, and we are beginning to see many of those promises broken.

An Hon. Senator: Like Sheila Copps.

Senator Mitchell: We will see many more of them broken, but one of them was —

An Hon. Senator: Like the GST.

Senator Mitchell: Sheila stood up to it. She stood up and ran. Why do they not call bi-elections in Calgary and run on the income trust issue and see what happens? Sheila Copps did that. She put her money where her mouth was, and she won again.

The government promised they would bring in a capital gains reduction. Admittedly, it is one of the most complicated taxation initiatives known to the Canadian people, but they promised that if you booked a capital gain on a stock, for example, and reinvested that within six months, you would not have to pay tax on it. Nothing has happened on that promise. All of a sudden they are miserably quiet on that one. Instead they have done GST reductions, which do almost nothing except spin exceptionally well in the middle of an election campaign.

An Hon. Senator: Shame!

Senator Mitchell: I will come back to income splitting under the productivity issue. You could argue that that would be a way of lowering income taxes and stimulating the economy. There is a debate that needs to be addressed in that respect, but of course the one place where they have announced to do it, it is not fair. The minister said yesterday, “if you have a pension, you will be able to split your pension income at any time, so if you started at 50 or 55 years old you are able to split right away.” However, if the only way you have been able to fund your retirement is by saving, because you do not work for a place that has pensions, and fewer and fewer places do, and you take the additional risk — because pensions tend to be less risky — of investing and building your own RSP or your own non-registered investments to fund your retirement, you will not be able to split your income until you are 65. Is that fair? I can remember Minister Flaherty talking yesterday, if I am not mistaken, about fairness in taxation. Tell me how that is fair in taxation. Tell me how the GST cut is fairness in taxation. The poor do not get the benefit. The rich do.

That brings me to my third point about not living up to social justice, and in fact retreating from social justice. I recommend a book called *Whose Freedom?* by George Lakoff, in which he makes it clear what motivates the right wing versus the progressives. One of the many points he makes is that the right wing is inclined to reward the rich and punish the poor, punish the vulnerable. We see punishing the vulnerable in many measures in this budget. They have cut literacy funding, programs to women, early childhood education — which is of particular advantage to women who often are trapped in the home because they do not have adequate child care programs.

They have cut the Law Reform Commission which has been essential to establishing fairness for those who are more vulnerable in our society. They have done all of those things to punish the poor, to set back social justice while rewarding people who have money. If you have money, you can put your children into hockey and you have an income which is taxable, so you can write off \$500 and make your \$77. If you have money, you can go to university and now you get to save \$77, I think it is, on books.

• (1520)

If you have money, you can go to university with a taxable income, and now you get to write off your scholarship and bursaries, which probably most students never had to pay tax on because they were not taxable.

My point is that there are three fundamentally important elements of modern, progressive, forward-thinking government for the 21st century. One of them is social justice. This document fails miserably on social justice. In fact, it sets us back to maybe the 19th century in some regards. Another element is a strong economy. This document does not address for a moment the issue of productivity, which is essential to our economic well-being and future. It denies and diminishes any focus on the environment. The third element, and perhaps the most important element of any modern, futuristic, 21st century government, is a sustainable environment.

This budget will unfortunately pass, but it will pass on division.

Some Hon. Senators: Hear, hear!

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

Some Hon. Senators: Question!

The Hon. the Speaker pro tempore: It was moved by the Honourable Senator Di Nino, seconded by the Honourable Senator Stratton, that Bill C-28 be read the third time now. Is it your pleasure, honourable senators, to adopt the motion?

Motion agreed to and bill read third time and passed, on division.

CRIMINAL CODE

BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Eyton, seconded by the Honourable Senator Meighen, for the second reading of Bill C-26, to amend the Criminal Code (criminal interest rate).

Hon. Catherine S. Callbeck: Honourable senators, I rise today in support of Bill C-26, which will amend section 347 of the Criminal Code, which deals with criminal interest rates.

Section 347 of the Criminal Code currently states that it is an offence to enter into an agreement or arrangement to receive interest at a criminal rate, which is defined as more than 60 per cent per year. This amendment was added in 1980. Its initial purpose was to help fight loansharking and its role in organized crime. Bill C-26 will essentially exempt payday lenders from this section of the legislation if provinces and territories bring forth legislation to regulate the industry in their particular province.

As we have heard in this chamber in the past, payday loans are short-term loans for a small amount, generally repaid at the borrower's next payday. The average loan is approximately \$280 for 10 days and is usually repaid with a post-dated cheque.

The payday lending industry has been growing substantially since 1994. More than 1 million Canadians use its services, with a turnover of about \$2 billion annually. There are currently more than 1,350 lenders across the country. A quick glance shows six listings in the phone book in my home province of Prince Edward Island. However, despite its prominence across Canada, the payday lending industry is virtually unregulated. There have been no reported convictions of payday lenders under section 347 of the Criminal Code.

Many concerns have been raised over the years about the practices in the payday loan industry. Certainly, our former colleague, Senator Plamondon, made us all aware of these issues during her debate on her private bill to amend the Criminal Code (criminal interest rate). These concerns have also come from the provinces and territories, as well as consumer advocacy groups. There is, for example, the high cost of borrowing. When all borrowing costs associated with a payday loan are taken into account, the effective interest rates are well above 60 per cent on a per annum basis. For all intents and purposes, they are already charging above the criminal interest rate. Section 347 defines interest as the "aggregate of all charges and expenses, whether in the form of a fee, fine, penalty, commission or other similar charge or expense or in any form. . . ."

There have been other concerns, such as inadequate disclosure of all terms in a contract, unfair collection methods — which include harassing phone calls and inappropriate calls to a place of employment — and the practice of rolling over loans, essentially allowing borrowers to extend or renew their loans, all the while charging more costs, fees and interest.

In fact, applications for certification of class action suits have already been successful in B.C., Ontario and Alberta. These class actions generally argue that the defendants have been unjustly enriched by charging interest and fees in violation of section 347. One decision, *Kilroy v. A OK Payday Loans Inc.* (2006) has found in favour of the plaintiff, concluding that the lender had charged interest in excess of the criminal rate and had been unjustly enriched.

I wish to point out that the majority of payday lenders in this country, about 850 of them, are members of the Canadian Payday Loan Association, which has a Code of Best Business Practices. Nevertheless, this code is voluntary and, of course, does not have any effect on approximately the 500 payday lenders who are not members of the CPLA.

Given these issues with payday lenders, I am extremely pleased that this federal government is building on the hard work done by the previous Liberal government and has moved forward with this legislation. The federal government, through Industry Canada, has been collaborating with several provincial governments since 2000 as part of the Consumer Measures Committee working group on the alternative consumer credit marketplace. Members have been working towards regulation of the payday lending industry and have consulted with consumer and stakeholder groups on this issue. During these consultations, it was agreed by the federal, provincial and territorial governments that section 347 of the Criminal Code needed to be amended so that provinces and territories could regulate the industry on their own.

In October 2005, the former minister of justice, the Honourable Irwin Cotler, acknowledged that a consensus had been met with regard to section 347. He received cabinet approval to amend this particular section of the Criminal Code. The subsequent federal election ended these initiatives.

This proposed legislation today, Bill C-26, does essentially what the previous government had intended. It exempts payday lenders from the Criminal Code, but only in provinces and territories that have measures in place to protect consumers. Regulating provinces and territories must have limits on the cost to consumers of payday borrowing, a low limit of \$1,500 and a lending period limit of 62 days. I would point out that these limits were developed in consultation with the provinces and territories. In addition, lenders would need to be licensed as such by the province.

Two provinces have already moved forward on this and passed their own legislation. In Manitoba, Bill 25 was passed on November 28, 2005. An amendment to the Consumer Protection Act, the legislation allows the province to fully regulate the payday lending industry. It includes provisions to prevent charging extra fees for rollovers, to allow borrowers 48 hours to reconsider the arrangement and to prevent having consumers sign over future wages. Lenders will need to be licensed and bonded. The Manitoba Consumers' Bureau will have the right to inspect them. The province's Public Utility Board will set the maximum costs of credit for lenders.

• (1530)

The province of Nova Scotia passed Bill 87 in late November 2005. It amended the province's Consumer Protection Act. It includes provisions that allow the Nova Scotia Utility and Review Board to set the maximum amounts

of interest rates and require full disclosure of all fees and costs. The bill also prohibits rollovers, having more than one loan at a time and loans greater than a proportion of the borrower's pay. The legislation also allows borrowers 24 hours to reconsider a loan.

On the whole, I believe that this legislation, Bill C-26, is an important step in protecting Canadian consumers against those payday lenders who may be in a position to take advantage of an unexpected financial crisis. The industry will continue to operate but with controls.

Honourable senators, I encourage you to support Bill C-26 so these reforms can be implemented quickly and further improve consumer protections in the payday lending industry.

Some Hon. Senators: Hear, hear!

On motion of Senator Hervieux-Payette, debate adjourned.

CONSTITUTION ACT, 1867

BILL TO AMEND—SECOND READING— DEBATE CONTINUED

On the Order:

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

Hon. Lorna Milne: Honourable senators, it is my pleasure to speak today on this bill to amend the Constitution Act, 1867, regarding Senate tenure, known as Bill S-4.

This bill represents an idea that has been debated and discussed among many of us for a long time, the notion that honourable senators be appointed for a specific term in office. While I have supported this change in theory for some time — in fact, since I was appointed to this place — I have a number of concerns regarding the proposal put forward in Bill S-4. I want to share them with you.

My main concern with Bill S-4, as written, was touched upon by my honourable colleague, Senator Joyal, when he recently spoke to this bill. Putting aside for a moment the argument that the approach taken by this government may be unconstitutional, the main concern I have is simply the length of term chosen by this government.

A second but no less important concern is that under Bill S-4, a senator's term may be renewable. I was interested in following the proceedings of the Special Senate Committee on Senate Reform when they reviewed this bill, and I want to take this opportunity to thank the members of that committee for their contributions during this study.

Amid that review, I recall a point made during the hearings by Senator Hubley, among others, when she noted that since 1965, the average stay of a senator within the Senate is about nine and a half years. With this mind, it would seem that making a change to

eight years would not be that substantial. However, this change glosses over the fundamental role of the Senate as an independent parliamentary institution, an essential part of our bicameral system of parliamentary government and the importance of the institutional memory of this place.

Simply put, the implementation of an eight-year-term limit followed by a possible renewal would inflict substantial damage on the current system of government. This sentiment is seemingly echoed in a white paper presented to the British Parliament last week about reform to the House of Lords.

The paper states that one of the strengths of the current House of Lords is the continuity of its membership. Members serve for life, and new members make up a small proportion of the House. The white paper explains this practice is valuable because the length of service ensures that members look beyond short-term considerations and political expediency and take a long-range view of the issues before them.

The paper also argues that this continuity ensures that a great deal of experience of both the legislative process and the work of the House of Lords can readily be passed on to new members when they are named to that House.

Honourable senators, long before this act came before us — in fact, since I arrived in this place — I have contemplated the essential question that Bill S-4 poses. After substantial consideration, I came to the conclusion that a 15-year term would be an appropriate length of time for a senator to serve the Parliament of Canada.

Without going into too much detail, I contend that the initial five years in this place are spent learning how this place works. Goodness knows, I am still learning. The next five could be devoted to the hard work and the long hours necessary to perform the tasks we are mandated to do. The final five-year segment could be concentrated on providing the leadership and the institutional memory this chamber absolutely requires for its proper operation.

Honourable senators, it is purely a coincidence that the British government, after issuing 12 separate reports on the same aspect of House of Lords reform, came to the same conclusion and are recommending 15-year terms for members of that esteemed chamber.

To give honourable senators an idea of what would change if Bill S-4 were in force today in terms of the continuity of its membership, if we were to go to an eight-year term, 54 present senators would no longer be here, including the entire government leadership and indeed, the entire caucus of the Conservative Party except two. None of our honourable Progressive Conservative colleagues would be with us either, except Senator McCoy. In addition, only two of the other five independent senators would be here.

If the entire collective memory of this place vanishes after eight years and all senators that have been appointed by one Prime Minister, what would happen to the essential nature of this place? I will tell you.

The very argument that some critics have used to heap scorn upon this chamber will come true. This chamber will simply become a rubber stamp for the other place and the reigning Prime Minister. If appointed to an eight-year renewable term, this government will be successful in ripping away the independence of senators that the builders of this country debated for so long to ensure, as Senator Furey pointed out yesterday.

Moreover, Bill S-4, if passed as written, would make each of our successors beholden to the sitting Prime Minister that appointed them. To be blunt, the first four years of their term will be spent saying “thank you” while the last four years will be spent asking “please, sir, can I have another term?”

It is my view that if the bill before honourable senators becomes law of the land, apathy and contempt for this chamber will only grow. It will result in the ever-louder chorus of critics singing, why bother with the Senate at all.

Given the views of the current Prime Minister regarding this place, I am not surprised. It appears he will try anything to rid himself of anyone who could criticize his actions based on either history or, heaven forbid, on fact.

Forget an elected Senate. I believe that the current Prime Minister’s bravado about Senate reform is a thinly veiled attempt simply to eliminate this chamber from our parliamentary system. This kind of short-term consideration and political expediency is precisely what the Fathers of Confederation designed this chamber to withstand.

Honourable senators, on its face, eight years seems like a long time. However, I have found through personal experience that while eight years is a substantial amount of time, it can go by very quickly when one is working toward the betterment of this country.

• (1540)

In short, I do not believe that eight years is a long enough time for the institutional memory of this place to be properly maintained. The further question of allowing eight-year appointments to be renewable makes this proposition akin to the analogy of the trained seal, which has been used so often to describe the activity of members of the other place.

As a result, I fear that not only the effectiveness but even the existence of this chamber will be placed in jeopardy if we are not allowed to take a more serious look at what this government wants to achieve in its Senate reform initiative. This bill must be amended in committee, and that includes, by the way, even the title of the bill, which means something different in French than in English.

I urge the committee to consider all term limits on Senate tenure, including my own recommendation of 15 years, and even term limits from the date of appointment up to age 65 or 70. I believe these are all clearly constitutional changes to Senate tenure, and I am looking forward to studying this bill in committee.

[Senator Milne]

Hon. Marilyn Trenholme Counsell: Honourable senators, I stand here with Bill S-4 in my hand, a tiny document of fewer than 300 words — 276 is my count — which has challenged honourable senators to delve deeply into the history of our beloved country and to delve deeply into their own consciousness, each in his or her own way, to respond to a project of law of extraordinary significance and of profound consequences; an act, no less, to amend the Constitution Act, 1867.

The magnificent speeches in response to Bill S-4 are testimony to the impressive and undeniable experience of the women and men who have been given the privilege, with all its obligations, of sitting in this chamber. Throughout these speeches, I have been reminded of the wisdom and passion of individual senators. Many of you have brought to this debate a lifetime of study in law, history, political science and governmental affairs. You have spoken brilliantly, giving a rare glimpse of what sober second thought is meant to offer our parliamentary system. Yes, your years of experience in the Senate of Canada have added to your individual capacity to approach legislation with caution and with respect.

It has been beautiful to hear Senator Hubley speak about her beloved Prince Edward Island and Senator Dyck speak about minorities. Since Confederation, the Senate has been here for the smallest and the weakest.

Listening to so much thoughtful and inspiring debate made me wish that many more Canadians from coast to coast to coast could have the privilege that is mine, to sit amidst persons of finely honed intellect and of undeniable commitment to our democratic institutions. Sadly, there would seem to be a decline in respect for Canada’s Senate and, if this is so, in my opinion, too much of this decline is due to naked politics.

If this is an unfair comment, why then has Canada’s Conservative government approached Senate reform in such a glib, superficial manner? Is this a game plan to score political points? Why otherwise would there be one bill in the Senate and another in the House of Commons? Who in their right mind, accepting his or her responsibility to exercise sober second thought, would play this parliamentary game of piecemeal changes to the Senate?

Where is there any consultation that would pay tribute to the Fathers of Confederation who, in their wisdom and after long reflection, gave to Canada an institution of substance based on fairness and on the hope that Canada’s parliamentary processes would always embody the principles of wisdom, prudence and, indeed, longevity?

On June 1, 2006, the Leader of the Government in the Senate spoke about building consensus, yet there is no evidence that the government, which the honourable senator represents, is making any effort to build consensus. Where is the consultation with provinces and territories? Where is there any input from scholars? Just how did the number “eight” emerge as the desirable tenure for Canadian senators?

This may seem like levity, but I can imagine the Prime Minister — the magician of political quick fixes — drawing a number from a hat: “Ah, yes, eight years it will be!”

There is nothing “modest” about the intent of Bill S-4, as the Prime Minister and the Leader of the Government in the Senate have declared. It is nothing less than an attempt at bold, brave and, some might add, “brazen” legislation. If you think I am mean-spirited, take a look at the French TV advertisements against Stéphane Dion.

The honourable leader said, “We do not have a gun pointed at anyone’s head,” but I would say this is shotgun legislation — quick, ill-considered and serving merely the exigency of the moment, that are scoring political points.

The leader has said, “We are not acting in haste.” Why then, day after day, do the senators on the government side react so vehemently to ongoing debate on Bill S-4? Surely, the Fathers of Confederation would have expected nothing less.

On a lighter note, I grew up hearing people say that someone would turn over in their grave if something happened. It occurs to me that the Fathers of Confederation might turn over in their graves if they knew the haste and hustle with which this bill is being bulldozed through this historic institution, not truly to serve valid Senate reform but to ensure election readiness by a minority government in dire straits.

Compared to so many of my Senate colleagues, I am a baby, yet I am one of the oldest senators. Honourable Senator Carstairs raised the issue of discrimination vis-à-vis mandatory retirement at 75 years. I wish it were not so. The Honourable Leader of the Government in the Senate seemed to get caught on Senator Carstairs’ question. Her reply:

Obviously the maximum age of 75 is waived, so it will be perhaps an amendment in committee. . . . it would only stand to reason: if we are to remove the requirement at one end, why we would not do so at the other?

Is this, honourable senators, justifiable haste or is it merely “make it up as you go”? Find the answer in the magician’s hat! Piecemeal legislation! Read it from a teleprompter and it will come across so smooth that Canadians might agree.

Yes, Bill S-4 is politics; not sound Senate reform; not constitutionally sound; not acceptable for an institution that has served Canada well for nearly a century and a half. I see nothing in Bill S-4 to convince me that it deserves my support.

Perhaps I might take comfort from the words of Senator Segal:

. . . there will be ample opportunity in committee for members of the house on all sides who have legitimate and specific concerns to address them at that time.

Senator Segal continued:

. . . we would be sending a powerful message . . . to Canadians about our common will not to acquiesce in matters with which we do not agree, but rather to put forward to study in a thoughtful way —

— this legislation.

Yet, there is, in this honourable senator’s speech, more confusion when he said:

. . . where I stand on the issue of a retroactive amendment so that people now in this institution are not grandfathered. . . . if . . . we are called upon to make various sacrifices . . . we would rise to the occasion.

That is quite confusing.

Is that clear, honourable senators? Whose word do we take? Did the Prime Minister build consensus in his own caucus on Bill S-4, or was it conceived in a sentimental moment with those nearest and dearest to him? Surely, such a question is appropriate on St. Valentine’s Day. I wish the Honourable Leader of the Government in the Senate were here.

Honourable senators, my own position is clear. I am in favour of Senate reform. I believe this Parliament, its leaders, its elected members and its senators should undertake a plan of consultation with the provinces and territories, with scholars and with experts and, of course, with the people of Canada. We should study carefully the example of Westminster, noting especially all that is worthy of emulating from recent reforms in the House of Lords.

I do not believe Bill S-4 is worthy of our support unless it can be improved and strengthened through sustained and dedicated study in committee. If this should happen, I believe Canada’s Senate will have kept faith with the Fathers of Confederation and with the citizens of this proud and democratic country.

Hon. Leonard J. Gustafson: Has the honourable senator thought about the fact that if there is Senate reform the powers of the Senate may increase? I cannot agree with what the honourable senator said about decreasing the powers of the Senate; I think they will increase. Would that not neuter the House of Commons and take away from their power?

• (1550)

Senator Trenholme Counsell: The question the honourable senator is asking is in reference to Bill C-43, which talks about an “election” that would give the Prime Minister of the day some insight into the wishes of the provinces, or however it goes. It is explained in different ways on different days, depending on which television station you are watching or which teleprompter is being used.

I do not believe that senators, in their wisdom, would ever want to undermine the role of the House of Commons. We have different but complementary roles. I believe that the wisdom with which this institution and the other institution were founded will survive and we will complement each other.

I do not know exactly why the honourable senator asked me that question because I do not think I implied that we would want to increase the powers of the Senate. I am in favour of Senate reform, based on very extensive and careful consultation, and certainly not this bill, unless it is studied thoroughly by hearing from many witnesses.

I am not in any way implying that our power be increased. I am simply implying that we should continue to embody and to dedicate ourselves to the original purposes as defined by the Fathers of Confederation, namely, sober second thought, protection of regional interests and protection of minorities.

Senator Gustafson: Not to debate, but I think it would be automatic.

Senator Nancy Ruth: Nothing is automatic.

Senator Gustafson: There would be an entirely different group of people in the Senate. Given that they would be elected, they would feel that they would have equal powers, if not even the last word.

Senator Trenholme Counsell: I think we are confusing the bills. This bill has nothing to do with the election of senators. This bill has only to do with the tenure of senators. Perhaps the honourable senator's comments would be more appropriate at another time.

On motion of Senator Tardif, debate adjourned, on division.

THE SENATE

MOTION TO URGE CONTINUED DIALOGUE BETWEEN PEOPLE'S REPUBLIC OF CHINA AND THE DALAI LAMA—DEBATE CONTINUED

On the Order:

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

That the Senate urge the Government of the People's Republic of China and the Dalai Lama, notwithstanding their differences on Tibet's historical relationship with China, to continue their dialogue in a forward-looking manner that will lead to pragmatic solutions that respect the Chinese constitutional framework, the territorial integrity of China and fulfill the aspirations of the Tibetan people for a unified and genuinely autonomous Tibet.—(*Honourable Senator Jaffer*)

Hon. Mira Spivak: Honourable senators, I am pleased to lend support to this motion in the hope that an organized effort by parliamentarians worldwide will spur the Government of the People's Republic of China and the Dalai Lama to find a lasting solution to the tragedy of Tibet.

It is something to be hoped for on humanitarian grounds, by all those concerned with social justice, and on grounds that are often overlooked in the mainstream debate — the huge importance of the state of Tibet's environment to much of Asia.

Some have called China's environmental degradation of Tibet in the last 50 years nothing short of "ecocide." As Asia's principal watershed and the source of its major rivers, rivers that provide water for 47 per cent of the world's population, what happens environmentally in Tibet is of great concern to the continent and to the world.

What happened between the 1949 troop invasion and late last decade was massive deforestation. Within 40 years, some 40 per cent of Tibet's forests vanished — forests that grew on steep slopes of river valleys. The result was predictable. The Yellow River, the Yangtze and others that originate in Tibet became among the five most heavily-silted rivers in the world.

Then came the disastrous Yangtze River floods of 1998. China belatedly placed a ban on logging. Since then, there have been eyewitness accounts of illegal logging and video footage of hillsides set on fire so that the blackened tree trunks can be harvested.

Reforestation in Tibet is slow and ineffective. China estimates that it will take 50 years to reforest denuded areas by its preferred method — dropping seeds from aircraft. Meanwhile, erosion of steep slopes grows worse.

The second half of the last century also saw widespread degradation of Tibet's grasslands, conversion of marginal lands to agriculture and extensive desertification. Large-scale hydro developments have displaced Tibetans from their homes and their lands. The rate of mineral extraction from Tibet also is rapidly increasing. Unfortunately, Canadian companies are profiting from some of these ventures.

As an environmental watch group concluded, reversing the environmental degradation that has occurred in Tibet:

... is in the long-term interest of all the neighbouring countries as environmental conditions in Tibet have major transboundary effects, notably in India, China, Bangladesh and Pakistan. Nearly half of the global population, particularly in these four countries, depends on the rivers of Tibet for their sustenance.

One of the many boons of an agreement between China and the Dalai Lama could be greater respect for the land and the headwaters of rivers that quench Asia. It is an outcome that most people would welcome, I am sure.

I urge parliamentarians everywhere to urge the parties to "press on" with their talks.

On motion of Senator Tardif, for Senator Jaffer, debate adjourned.

The Senate adjourned until Thursday, February 15, 2007, at 1:30 p.m.

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