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THE HONOURABLE NOËL A. KINSELLA
SPEAKER

CONTENTS

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THE SENATE

Wednesday, November 26, 2008

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

• (1335)

Prayers.

SENATORS' STATEMENTS

GREY CUP 2008

CONGRATULATIONS TO CALGARY STAMPEDERS

Hon. Bert Brown: Honourable senators on both sides of this august body and members of the Clerk's office, I want you to know that on this Sunday afternoon past, a sadness came over me while watching television in my home. I suddenly realized that the BC Lions had not won the Grey Cup. Then it struck me that the Edmonton Eskimos had not won the Grey Cup. My sadness deepened when I realized that neither the Saskatchewan Roughriders nor the Winnipeg Blue Bombers had won the Grey Cup. My depression further deepened knowing that the Hamilton Tiger-Cats and the Toronto Argonauts were also among the teams who had not won the Grey Cup. I was beside myself with grief for just a moment when I knew for certain that the Montreal Alouettes had not won the Grey Cup.

The one thing that saved me from my overwhelming malaise and morosity was when I saw that the Calgary Stampeders had won the Grey Cup. I know that, in a bipartisan act of kindness, my colleagues across the country will join me in my newfound state of pure joy.

[Translation]

FOUR HUNDREDTH ANNIVERSARY OF THE ESTABLISHMENT OF SAMUEL DE CHAMPLAIN IN QUEBEC CITY

Hon. Serge Joyal: Honourable senators, 2008 marks the four hundredth anniversary of Samuel de Champlain's settlement in Quebec City in 1608 and, as such, is an opportunity to commemorate the French fact in America, and particularly in Canada.

One fundamental duty of the Senate is to reflect the rights of linguistic minorities throughout the country, and we must develop original initiatives to highlight this unique, historic event in our own way. This concern was shared, first and foremost, by the Speaker of the Senate, our colleague Noël Kinsella, and by all the francophone senators and many of our anglophone colleagues.

On the invitation of the President of the Canada-France Interparliamentary Association, Senator Lise Bacon, and the Canada-France Interparliamentary Friendship Group, presided over by French Senator Marcel-Pierre Cléach, senators attended an initial meeting held in the French Senate in Paris, at the Palais du Luxembourg, on March 7 and 8, 2008.

The theme of that symposium was *The Legacy of France in Canada over 400 Years*. The event was sponsored by Their Excellencies, the French Ambassador to Canada, François Delattre; and the Canadian Ambassador to France, Marc Lortie. Those in attendance included the Chief Justice of the Supreme Court, the Right Honourable Beverley McLachlin; the former Governor General of Canada, the Right Honourable Adrienne Clarkson; and her husband, John Ralston Saul, who delivered the opening address.

Senator Jean-Pierre Raffarin, former prime minister of France, delivered the closing remarks before an audience of nearly 200 invited guests, all friends of Canada, at the elegant headquarters of the Institut France-Amériques.

The Speaker of the Senate also wanted to commemorate this anniversary by leaving a legacy for future generations. Together with a delegation of senators representing Acadia and Quebec, the Speaker of the Senate made an official visit to France from May 16 to 21, 2008, as the Speaker himself reported during yesterday afternoon's sitting of the Senate.

Accompanied by a delegation of senators, the Speaker then visited Quebec's National Assembly on May 26, 2008. During an official ceremony, he presented a bronze bust of Samuel de Champlain by the great Canadian sculptor Alfred Laliberté. An information brochure was published and last summer the bust was the main attraction at a Champlain exhibition in the foyer of Quebec's National Assembly.

Lastly, on November 14 and 15, the Speaker of the Senate hosted the second part of the Canada-France symposium here in the Senate Chamber. This time, the opening address was delivered by the Honourable Michel Bastarache, former justice of the Supreme Court. Guest speakers at the closing luncheon were Senator Kinsella and Alain Juppé, Mayor of Bordeaux and former prime minister of France.

Prior to that, we had launched the book *France-Canada-Québec: 400 ans de relations d'exception*, published by the Presses de l'Université de Montréal, which I had the honour of co-editing with professor and historian Paul-André Linteau. Contributors to the book include 12 historians, six of them French and six Canadian, selected from renowned universities on either side of the Atlantic.

Thus, the Senate commemorated this anniversary year by highlighting the remarkable success of the Franco-Canadian friendship over the past 400 years. If Canada is a model society, this is at least partially due to France's constant influence since 1604 and 1608. History will remember the Senate's completely original contribution, as it was the only House of Parliament to expressly commemorate the festivities marking the four hundredth anniversary of Quebec City and the French fact in Canada.

Hon. Pierre Claude Nolin: Honourable senators, Senator Joyal has just described an adventure that is uniquely ours. However, in his extensive account of this story, he forgot to mention one thing — and that was understandable but, nonetheless, unacceptable — that he himself was the heart and soul, the driving force and the thinker behind this adventure.

Honourable senators, on behalf of all our colleagues, and especially our French-Canadian colleagues, I would like to thank Senator Joyal for this initiative, which will be remembered by the Franco-Canadian community on both sides of the ocean for decades to come. Let us hope we do not have to wait another 100 years before we see a similar initiative.

Senator Joyal, thank you for your efforts. I have begun to look through this collection and I find it very interesting. I see that the comments made to various historians did not fall on deaf ears.

[*English*]

NATIONAL CHILD DAY

Hon. Elizabeth Hubley: Honourable senators, November 20 was National Child Day, which commemorates the adoption of the Convention on the Rights of the Child in 1991 by the United Nations. I wish to first commend my colleagues, Senator Cochrane, Senator Mercer and Senator Munson, for the wonderful celebrations they helped to organize for National Child Day. I am sure all children would be pleased.

The convention enumerates the basic human rights to which all children are entitled. By ratifying this convention in 1991, Canada made a commitment to ensure that all children are treated with dignity and respect, protected from harm, given a voice in issues of concern to them, provided with their basic needs and given an opportunity to reach their full potential.

• (1340)

As we celebrate National Child Day, we must also take this opportunity as parliamentarians to ensure that we are protecting and promoting the basic human rights of children everywhere in Canada, especially those of our Aboriginal children.

Nelson Mandela has said:

... overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right of dignity and a decent life.

While poverty persists, there is no true freedom.

Over 50 per cent of preschool Aboriginal children live in low-income families. The infant mortality rate, the rate of severe disabilities and the rate of serious illness is much greater for First Nations children on reserve than for non-Aboriginal children. As legislators, we must ensure that Aboriginal children in Canada have access to the same basic supports as non-Aboriginal children so that they, too, achieve their full potential. After all, it is their right.

INTERNATIONAL DAY FOR THE ELIMINATION OF VIOLENCE AGAINST WOMEN

Hon. Lillian Eva Dyck: Honourable senators, yesterday was the International Day for the Elimination of Violence Against Women.

In the summer, I attended a conference designed to raise public awareness about violence against women and to bring attention to the alarming rise in the number of missing indigenous women.

On August 14, the first annual Missing Women: Decolonization, Third Wave Feminisms and Indigenous People of Canada and Mexico conference took place in Regina, Saskatchewan.

Honourable senators, I wish to share the thoughts of my summer student, Aline Fontaine, who also attended this conference.

I ask: 'In Canada, what can we do to address the systemic violence, poverty, racism and sexism towards Aboriginal women?'

As a conference participant, I had the opportunity to witness the realities of street life in north central Regina. I was horrified by the sight of under-age Aboriginal girls on the street, prostituting themselves.

I ask: 'Is this real? Or am I simply dreaming?'

In Canada, the reality of sexual exploitation and unsolved cases of missing and murdered Aboriginal women is a hidden issue. When it is talked about, people don't want to hear about it. Many don't even want to think about it. Disturbing as it is, we must confront it. We must look at how street life perpetuates the cycle of violence, prostitution and abductions of First Nations women. We cannot afford to walk away; we must uncover the hidden issues First Nations face on a day-to-day basis.

I ask: 'How?'

There must be systemic and social changes made in Aboriginal communities. First Nations must raise awareness and understanding in an effort to change individual views, perceptions and practices. Most importantly, we as Aboriginal people must address ourselves to making the necessary fundamental changes, but we can't do it alone. We need support from governments, from the private sector and from Canadians because this situation is simply unacceptable.

I ask: 'When?'

The time is now and we must take action. I urge Canada's leaders to work with First Nations in developing strategies to create change. Together in solidarity, we can fix this terrible wrong and develop solutions that enable First Nations to overcome poverty and its consequences. It's time for First Nations, Canadians and Government leaders to stand up and say: 'No More.'

Honourable senators, as an Aboriginal woman old enough to be the grandmother of these prostituted children, I ask you to support the recommendation made by the UN Committee on the Elimination of Discrimination Against Women to establish an inquiry into the 511 Aboriginal women and girls who have disappeared or been murdered.

THE LATE HONOURABLE BENNETT CAMPBELL

Hon. Catherine S. Callbeck: Honourable senators, today I pay tribute to the memory of a great Canadian, an outstanding Prince Edward Islander and a truly wonderful human being.

This past September saw the passing of the Honourable Bennett Campbell, a man who earned the deep respect and admiration of all who knew him.

• (1345)

Bennett Campbell was one of the youngest members ever elected to the Prince Edward Island legislature. He was first elected in the provincial general election in 1970 and was re-elected in 1974, 1978 and 1979. His majority in each election was a measure of the confidence and support earned among his constituents.

I had the honour of serving with Bennett as a cabinet minister in the Government of Prince Edward Island in the early 1970s. As a colleague, he brought great insight and common sense to the many issues facing the government of the day. He earned the support and confidence of his party when, in 1978, he became leader of the Liberal Party and Premier of Prince Edward Island.

In 1981, he was elected to the House of Commons and capably served as Minister of Veterans Affairs in the government of Prime Minister Trudeau.

Throughout his long and distinguished political career, Bennett Campbell made many friends. He was always very approachable, and had a genuine interest in other people. He was known for his down-to-earth political style, his honesty and integrity, and his forthright approach to his dealings with others, regardless of their political stripe. With wide-ranging interests, he was at ease conferring on many subjects with people from all walks of life.

After his political career was over, Bennett turned his attention to his home community of Cardigan. There he was actively involved in the life of his community and his church. One of Bennett Campbell's passions was his love of Scottish fiddle music. He was one of the organizers of the very popular annual Rollo Bay Fiddle Festival, and it is most fitting that the strains of the violin could be heard in the background when he was laid to rest.

Above all else, Bennett Campbell was devoted to his family. He and his wife, Shirley, raised eight children, and family was at the centre of his life. His untimely passing was mourned by all who knew him. While he will be missed in his community, it is in his home where he will be missed the most.

To his wife, Shirley, his children and his large and extended family, I offer my sincere sympathies on the passing of a truly warm and wonderful human being.

[Translation]

ROUTINE PROCEEDINGS

THE ESTIMATES, 2008-09

SUPPLEMENTARY ESTIMATES (B)—NOTICE OF MOTION TO REFER TO COMMITTEE OF THE WHOLE

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

That the expenditures set out in Supplementary Estimates (B) for the fiscal year ending March 31, 2009, be referred to a Committee of the Whole for examination on Wednesday, December 3, 2008, with the Senate resolving itself into said Committee at the conclusion of Question Period;

That television cameras be authorized in the Senate Chamber to broadcast the proceedings of the Committee of the Whole, with the least possible disruption of the proceedings; and that photographers be authorized in the Senate Chamber to photograph proceedings, with the least possible disruption of the proceedings; and

That, notwithstanding the Order adopted by the Senate on Tuesday, November 25, 2008, when the Senate sits on Wednesday, December 3, 2008, it continue its proceedings beyond 4 p.m. and follow the normal adjournment procedure according to Rule 6(1); and

That Rule 13(1) be suspended on Wednesday, December 3, 2008.

PARLIAMENTARY EMPLOYMENT AND STAFF RELATIONS ACT

BILL TO AMEND—FIRST READING

Hon. Serge Joyal presented Bill S-214, An Act to amend the Parliamentary Employment and Staff Relations Act.

Bill read first time.

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

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

• (1350)

[English]

INTER-PARLIAMENTARY UNION

FORUM TO FIGHT HUMAN TRAFFICKING, FEBRUARY 12, 2008—REPORT TABLED

Hon. Donald H. Oliver: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation of the Canadian Inter-Parliamentary Union Group to

the Parliamentary Forum on the Occasion of the Vienna Forum to Fight Human Trafficking, held in Vienna, Austria, on February 12, 2008.

[*Translation*]

L'ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN— MAY 21-22, 2008—REPORT TABLED

Hon. Rose-Marie Losier-Cool: Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canadian branch of the APF to the seminar of the APF Network of Women Parliamentarians on the Convention on the Elimination of All Forms of Discrimination Against Women, held in Nouakchott, Mauritania, on May 21 and 22, 2008.

[*English*]

CANADIAN NATO PARLIAMENTARY ASSOCIATION

MEETING OF SUBCOMMITTEE ON DEMOCRATIC GOVERNANCE—MARCH 24-27, 2008—REPORT TABLED

Hon. Percy E. Downe: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian NATO Parliamentary Association, which represented Canada at the meeting of the Subcommittee on Democratic Governance, held in Ankara and Istanbul, Turkey, from March 24 to 27, 2008.

MEETING OF DEFENCE AND SECURITY COMMITTEE— JANUARY 28-FEBRUARY 2, 2008—REPORT TABLED

Hon. Joseph A. Day: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian NATO Parliamentary Association, which represented Canada at the meeting of the Defence and Security Committee, held in Washington, D.C., United States of America, from January 28 to February 2, 2008.

[*Translation*]

THE ESTIMATES 2008-09

SUPPLEMENTARY ESTIMATES (B)—NOTICES OF MOTIONS TO STRIKE SPECIAL SENATE COMMITTEE

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, I give notice that, two days hence, I will move:

That a Special Committee of the Senate be appointed to examine and report upon the expenditures set out in Supplementary Estimates (B) for the fiscal year ending March 31, 2009;

[Senator Oliver]

That, notwithstanding rule 85(1)(b), the Committee be comprised of twelve members, namely the Honourable Senators Biron, Callbeck, Chaput, Cowan, Day, De Bané, P.C., Di Nino, Eggleton, P.C., Murray, P.C., Nancy Ruth, Ringuette, and Stratton;

That four members constitute a quorum;

That the Committee have power to send for persons, papers and records; to examine witnesses; and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee be authorized to permit coverage by electronic media of its public proceedings with the least possible disruption of its hearings;

That the Committee have power to sit when the Senate is sitting, and that the application of Rule 95(4) be suspended in relation thereto; and

That, pursuant to Rule 95(3)(a), the Committee be authorized to meet during any adjournment of the Senate that exceeds one week.

• (1355)

[*English*]

Honourable senators, I give notice that, two days hence, I shall move:

That a Special Committee of the Senate be appointed to examine and report upon the expenditures set out in Supplementary Estimates (B) for the fiscal year ending March 31, 2009;

That, notwithstanding rule 85(1)(b), the Committee be comprised of twelve members, namely the Honourable Senators Biron, Callbeck, Chaput, Day, De Bané, P.C., Eggleton, P.C., Mitchell, Ringuette, and four additional members to be named by the Leader of the Government in the Senate following the process set out in Rule 85(5);

That four members constitute a quorum;

That the Committee have power to send for persons, papers and records; to examine witnesses; and to print such papers and evidence from day to day as may be ordered by the Committee;

That the Committee be authorized to permit coverage by electronic media of its public proceedings with the least possible disruption of its hearings;

That the Committee have power to sit when the Senate is sitting, and that the application of Rule 95(4) be suspended in relation thereto; and

That, pursuant to Rule 95(3)(a), the Committee be authorized to meet during any adjournment of the Senate that exceeds one week.

QUESTION PERIOD

FINANCE

ECONOMIC DOWNTURN—GOVERNMENT SPENDING

Hon. Grant Mitchell: Honourable senators, when I try to comprehend the lack of action by this government on economic stimulus, I am reminded of the mother watching her son in the military parade who says, “Everyone is out of step but my Johnny.” Why is Canada the only country in the OECD who has yet to deliver on an economic stimulus package, more or less like the rest of the world?

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): Honourable senators, I see that the honourable senator used today’s issue of *The Globe and Mail* as the basis for his question. Senator Mitchell, we created a stimulus package last year at this time.

Senator Mercer: That is working well.

Senator Tkachuk: It is working well.

Senator LeBreton: Economists have acknowledged that the economic measures that we brought in last year to stimulate the economy have enabled Canada to weather the economic crisis better than any other G7 country. Those tax measures have kept Canada from falling into a recession thus far.

Unlike the structural changes made last year, this morning’s article concerned emergency measures to stimulate the economy. The changes we made last year were permanent changes.

Senator Mitchell: Honourable senators, Canada actually has the worst performing economy in the G8 and has underperformed Mr. Bush’s U.S. economy thus far this year.

Honourable senators, this is a red letter day; the Leader of the Government in the Senate has actually admitted failure. The government brought in a policy a year ago and clearly it is not working. We have economic problems.

Honourable senators, what threshold of job losses must be reached in this country before this government will step in and stimulate job creation for all those Canadians suffering right now from job losses and all that entails?

Senator LeBreton: The honourable senator is quite incorrect. The honourable senator was using the graph in *The Globe and Mail*.

Senator Di Nino: They can’t read.

• (1400)

Senator LeBreton: The fact is that Canada is in the best fiscal position of the G7. We paid down \$37 billion, which has given us the ability to act. The economic stimulus package we brought in last year was equal to almost 1.5 per cent of the GDP.

When we reduced the GST it was a permanent structural change, unlike what they are doing in Great Britain. They are doing now what we did a year ago, but they are only doing it on a short-term basis; reducing their Value Added Tax for 13 months. Ours was structural and permanent.

Senator Mitchell: Honourable senators, I do not know why anyone believes that a Conservative government can run an economy. In fact, the U.S. is much luckier than us because they have a liberal president-elect.

How is it that Mr. Obama, who is not even officially in office yet, can provide strong economic leadership when our Prime Minister, who has been there for almost three years, has done absolutely nothing? He has been paralyzed into inaction.

Senator LeBreton: All of that overblown rhetoric of the honourable senator is exactly what the Canadian people do not want to hear. They re-elected the Conservative government and the Prime Minister because they wanted our government to be in a position to manage our way through this worldwide economic crisis. That is exactly why they re-elected us.

As I said yesterday, it is clear that the Canadian people very much want to have government leadership in this crisis. They are tired of excessive, overblown rhetoric. We will deal with this worldwide crisis. We started a year ago with our economic stimulus package when the Prime Minister, at that time, warned that conditions would deteriorate.

When the honourable senator makes reference to President-Elect Obama, on many fronts, he is saying exactly what our government has been saying not only on climate change — which must be of great concern to Senator Mitchell — but also in dealing with the auto industry.

Both President-Elect Obama and our own Minister of Industry, Tony Clement, have used exactly the same words when it comes to dealing with the auto industry. Independently of each other, they both said the same thing; they do not intend to hand the auto industry a blank cheque.

[Translation]

Hon. Jean-Claude Rivest: Can the Leader of the Government inform this chamber of the status of the negotiations and discussions between the federal government and the provinces concerning the terms of federal intervention to deal with the economic crisis?

My second question may be somewhat more difficult. Unless I am mistaken, during the election campaign, the Right Honourable Prime Minister Stephen Harper was critical of the Leader of the Liberal Party of Canada, Mr. Dion, for suggesting that Canada would have a deficit. It seems that the current Minister of Finance is saying the same thing as Mr. Dion. Will the Right Honourable Prime Minister criticize his own minister?

[English]

Senator LeBreton: I thank the honourable senator for his question. No leader, no economist, no reporter, no one — even as early as mid-September — was talking about deficits.

The Prime Minister and the Minister of Finance have been clear. The situation has deteriorated so rapidly — and in an unprecedented way — that no one could have anticipated it, and certainly did not. The leader of the Liberal Party would not have been going around making \$60 billion worth of promises if, for a moment, it was believed that we were facing such a serious deficit situation.

• (1405)

With regard to dealing with provinces, as Senator Rivest knows, the Prime Minister has already had one face-to-face meeting with the provincial premiers earlier this month followed by a conference call with the provincial leaders.

From the comments of the provincial leaders, there has been a high degree of co-operation. Everyone is focused on the job at hand. The Prime Minister indicated that early in the new year he will convene a conference of the first ministers of the provinces and territories. That is clearly what Canadians want to see. They want to see their leaders, no matter their political stripe, working to provide leadership to see Canadians through this difficult world economic crisis, which is, as we have said many times, unprecedented in our history.

[Translation]

Hon. Lise Bacon: One of the solutions offered by the government to stimulate the Canadian economy is to expedite investment in infrastructure projects. In order to see the impact of these projects in the coming months, the government must give priority to existing projects that are currently waiting for the green light.

My question is this: Will the government commit to informing the promoters whose projects have been selected, such as the Building Canada plan, as soon as possible, to allow housing starts beginning in the spring of 2009?

[English]

Senator LeBreton: As the honourable senator quite rightly states, one of the urgent stimulus packages involves infrastructure — our Building Canada plan. Minister Baird has been working with his provincial counterparts. I do not think there is any doubt that every effort will be made to speed up the implementation of these infrastructure programs.

I will take Senator Bacon's question as notice, because I have not been privy to the conversations the minister has had with his provincial counterparts. It is clear from what the Prime Minister, the Minister of Finance and the Minister of Transport have said that infrastructure will be front and centre of the stimulus package.

[Translation]

Senator Bacon: Honourable senators, if the number of projects planned is not sufficient, will the government commit to reviewing the program criteria to ensure that many projects, particularly in municipal infrastructure, will come to fruition as quickly as possible?

[Senator LeBreton]

[English]

Senator LeBreton: I will obtain specific details for the honourable senator. Through the federal Gas Tax Fund, the government is providing a record \$1 billion this year for municipalities, which will double to \$2 billion next year. This initiative is, again, one of those structural and permanent changes — not temporary — made by this government. Municipalities can count on that money as they do their budgeting.

VETERANS AFFAIRS

EXTENSION OF VETERANS INDEPENDENCE PROGRAM

Hon. Lorna Milne: Honourable senators will bear with me if I repeat what I started yesterday when I was so rudely interrupted by the end of Question Period. The Leader of the Government in the Senate has now had adequate notice of what I was asking.

On November 10, *The Hill Times* published a letter by Joyce Carter, from St. Peter's, Nova Scotia, regarding her concerns about the Veterans Independence Program, VIP. In her letter, Ms. Carter outlines her frustration with the current government's failure to live up to the promise made to her in writing in June 2005 that the Conservative government would extend this program to all Second World War and Korean War veterans' widows — all of them.

Honourable senators, in June of last year, we all remember that Ms. Carter came to Ottawa to plead her case in person with the Prime Minister. During that meeting, a commitment was made that this extension of VIP services would be addressed in the next budget.

However, the initiative in the last budget will serve only about 30 per cent of veterans' widows, according to Ms. Carter.

• (1410)

Therefore, on behalf of Ms. Joyce Carter, I ask the Leader of the Government in the Senate if this government will finally keep a promise that was made to veterans' widows on June 28, 2005, to extend the VIP program to all Second World War and Korean War veterans' widows.

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): I thank the honourable senator for her question. I heard her question yesterday and I was ready with my answer. However, the rules state that Question Period is 30 minutes. I did not consider it a rude interruption; I considered it an observance of the rules.

With regard to the Veterans Independence Program, this government has done more for veterans than any government in the history of this country. As I have said before, Budget 2008 committed \$282 million over the next three years to extend the Veterans Independence Program to more than 12,000 eligible survivors. In all, the number of new VIP clients added under our watch is almost 35,000, which is 35,000 more veterans and their families than was the case when we came to office.

We will provide these low-income or disabled survivors with up to \$2,400 to cover bills for housekeeping and grounds maintenance so they can enjoy their quality of life. This funding will help those who need our help the most and who can least afford it. In some cases, these are widows who have been waiting for more than 25 years for a government to come to their aid.

I am happy to say that under the guidance of the Honourable Greg Thompson, Minister of Veterans Affairs, the work we are doing on behalf of veterans has come a long way to improve the lives of veterans compared to what we found when we took office in February 2006. That said, the work is not complete and I think Mr. Thompson would be the first one to tell the honourable senator that.

Senator Milne: Therefore, I believe the answer to my question is “no.”

However, I wish to know if the Leader of the Government in the Senate can tell me what is written on page 49 of the Conservative Party of Canada’s policy declaration dated March 19, 2005, under subsection 110(vi). If she is unable to do so, perhaps I could read it for her.

It says:

The Conservative Party would immediately extend Veterans Independence Program services to the widows of all Second World War and Korean War veterans regardless of when the Veteran died or how long they had been receiving the benefit before they passed away.

It has been over 500 days since this government took power and yet we have heard nothing from the Prime Minister or from the Minister of Veterans Affairs on this matter — no plans to revise the programs, no consultations on how to improve it; nothing.

Therefore, please tell me: If Joyce Carter is not supposed to feel lied to by this government and its leadership, how is she supposed to feel? How are all those veterans’ widows adversely affected by this government’s lack of action supposed to feel? Tell us, please.

Senator LeBreton: We could say to Ms. Carter that we have a government that is finally dealing with veterans and veterans’ survivors. As I pointed out to the honourable senator in my first answer, we have added another 35,000 veterans and their families to this program. However, in just three budgets, our government has allocated \$1.6 billion more in new funding to improve and enhance programs and benefits for our veterans.

I dare say that veterans are happy and, if the honourable senator were to ask veterans, she would find them happy. I had the honour of laying the wreath at the National War Memorial on November 11 on behalf of the Minister of Veterans Affairs who was in Europe at an international ceremony. I then went to an event that veterans attended. The veterans I spoke to were very happy with the treatment of veterans by this government.

• (1415)

Since taking office, we have delivered on our promises to implement the New Veterans Charter; establish a Veterans Bill of Rights; establish a Veterans Ombudsman, in the person of Col. Patrick Stogran; and to double our efforts to treat

post-traumatic stress disorder. We will continue to do our best for our veterans. We can never do enough for our veterans, who have made such sacrifices for the country, and those who made the ultimate sacrifice.

Honourable senators, our government is well aware of our commitments to veterans. We have come a long way and we have improved their lot in life considerably in the less than three years that we have been in government.

FINANCE

ECONOMIC DOWNTURN—GOVERNMENT SPENDING

Hon. Jim Munson: Honourable senators, I have a question for the Leader of the Government in the Senate. It is nice to see that the present Prime Minister’s Office has taken a chapter out of a previous PMO communications strategy where it is a collective leaker as opposed to being a selective leaker. I read the headline in the *National Post*, “Parliamentary perks”. I then picked up *The Globe and Mail* and, lo and behold, the subject appears in that paper on the same day. It is fascinating to see, of course, that it was also repeated on CTV.

Collective leaking, I suppose, is a diversionary tactic. Tory times are tough times, and I guess diversionary tactics are interesting tactics when it comes to the issue of the economy.

I believe we can agree that cutting expenses to save taxpayers money is a good idea, but this government has the order of things wrong. Why talk about cutting increases and salaries for politicians and senior public servants when this government could have saved more than \$4 million by simply maintaining the size of cabinet from the previous Parliament? I repeat: \$4 million.

Honourable senators, it has not taken long for this government to increase its own cabinet expenses by choosing to make one out of four Conservative members of the House of Commons a minister or minister of state. Since 2006, salaries for this government have increased by 43 per cent.

Can the Leader of the Government in the Senate please explain why her government chooses to make others pay for its own excesses?

Senator Tkachuk: Who writes your stuff?

Senator Munson: I write it.

Senator Tkachuk: You write it the same way you wrote it for CTV.

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): Yes, and for Prime Minister Chrétien.

Honourable senators, we will have to await the Minister of Finance’s economic update tomorrow. I have seen all the speculation in *The Globe and Mail*, the *National Post* and on CTV. The fact is that the largest increases in the salaries of cabinet ministers happened under the regime for which the honourable senator was the communications director.

Regarding the size of the cabinet, there are cabinet ministers. Ministers of state were added for specific areas. It is unique that this honourable senator would be the person to raise this issue, particularly since he was the communications director for a regime where these salaries were increased and large cabinets were the norm.

Senator Munson: This is Question Period. I do not have to answer that.

At the least, given their great numbers, can the government consider replacing ministerial cars with a bus so that we can save money and reduce greenhouse gases?

Senator LeBreton: Oh, my goodness.

Senator Tkachuk: That is as good as it gets.

Senator LeBreton: That would be quite a bus ride out to Manotick, out to Winnipeg, out to B.C. — all over.

Honourable senators, Canadians are concerned and they are right to be concerned. I take my responsibilities as a minister of the government seriously. I am mindful that we are all here as the direct beneficiaries of Canadian taxpayers. It behooves all of us to work together to get through this economic situation without trivializing and coming up with goofy little suggestions like the honourable senator just made.

• (1420)

Senator Comeau: Good for you.

HUMAN RESOURCES AND SKILLS DEVELOPMENT

CHILD TAX BENEFIT—REFUNDABILITY

Hon. Catherine S. Callbeck: Honourable senators, my question is to the Leader of the Government in the Senate. At present, one in nine children in this country lives in poverty — that equates to approximately 800,000 children. With the economic slowdown looming, this number will likely increase. The Conservative government introduced the Child Tax Benefit, but it is not refundable, so the poorest families cannot benefit because they do not pay income tax. A family earning \$20,000 receives no benefit, whereas a family earning \$100,000 receives the benefit under the child tax credit. Would the leader recommend to the Minister of Finance that the Child Tax Benefit be refundable so that the children of the poorest families can benefit?

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): I thank the honourable senator for the question.

Senator Mercer: Oh, oh.

Senator LeBreton: Senator Mercer, the only good thing about you being over there is that you are not behind me now.

Senator Di Nino: It would be better if he were not there at all.

Senator LeBreton: That is a good suggestion. I will not say that again because I do not want to trivialize the matter.

[Senator LeBreton]

We are well aware that the Child Tax Benefit is non-refundable. The government has done many things through transfers to the provinces, such as skills training, to help people rise above the poverty level. I will be happy to refer the senator's specific suggestion to the Minister of Finance.

The government does not want to see a situation in Canada where people's quality of life falls or their existence becomes so dire that they have trouble functioning as individuals and as families. It is a severe problem in some regions of the country and less so in other regions, but I will certainly pass on the honourable senator's suggestion to the Minister of Finance.

Senator Callbeck: I have a supplementary question for the Leader of the Government in the Senate. I am happy that the leader will pass that suggestion on to the Minister of Finance and I hope that the government acts on it as soon as possible.

It is not acceptable that a wealthy country like Canada has so many children living in poverty. The fact that tax credits are not refundable does not help the poorest of the poor. The leader said she would pass on the suggestion, but I would like to know whether she believes that the Child Tax Benefit should be refundable.

Senator LeBreton: Honourable senators, I said that I would pass the suggestion on to the Minister of Finance because the honourable senator asked me to do so. If she wants to criticize me for that response, there is little that I can do about it.

The government is working in many areas with the provinces and the territories through Human Resources and Skills Development Canada to alleviate the difficulties faced by people who live below the poverty line and by low-income families.

• (1425)

Even though people with the lowest income do not pay income tax, I dare say they have to buy clothes for their children. This group benefitted directly from the cuts to the GST. Of course, some people felt that the GST cut helped only certain groups. This is one of the groups that was helped most by the cut.

[Translation]

Hon. Fernand Robichaud: Honourable senators, I would like to come back to Senator Callbeck's question. Can the minister tell us if she believes that this tax credit should be refundable?

[English]

Senator LeBreton: I will not respond to that question. I am not the Minister of Finance. I will not be put in the position of personally commenting on an issue. The honourable senator knows full well that any member of the government or of the cabinet cannot and should not, particularly at this difficult time, enunciate financial policy personally, and especially someone like me, who is not a financial expert, as I have stated many times before. I would not even attempt to answer that question, other than to say that I will pass on the suggestion to the Minister of Finance.

THE SENATE

INTRODUCTION OF NEW PAGES

The Hon. the Speaker: Honourable senators, before calling Orders of the Day, I am pleased to introduce two new Senate pages who will work with us this year.

On my left is Marc-André LeBlanc.

[*Translation*]

Marc-André LeBlanc hails from Haute Aboujagane, a pretty community in southeastern New Brunswick. Marc-André is proud of his francophone heritage and is an active member of New Brunswick's francophone community. He graduated from the École secondaire Louis-J.-Robichaud, which was named after our colleague and senator, the Honourable Louis J. Robichaud. Marc-André is currently in his first year in Political Science and Public Administration at the University of Ottawa.

Welcome to the Senate of Canada.

[*English*]

Marie-Michelle Jobin is from Kingston, Ontario, although she has lived in many cities throughout Quebec, Ontario and British Columbia. Marie-Michelle played on five of her high school's sports teams, loves to travel, has an interest in foreign languages and plays both piano and guitar. She is currently in her first year of studies in International Economics and Development at the University of Ottawa.

Welcome to the Senate.

ORDERS OF THE DAY

SPEECH FROM THE THRONE

MOTION FOR ADOPTION OF ADDRESS IN REPLY—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Meighen, seconded by the Honourable Senator Champagne, P.C.:

That the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Michaëlle Jean, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, Chancellor and Commander of the Order of Merit of the Police Forces, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the Senate of Canada in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Hon. James S. Cowan (Leader of the Opposition): Honourable senators, on behalf of the official opposition in the Senate, I begin by extending our best wishes to Her Excellency the Governor-General as she continues gracefully and admirably to fulfill the responsibilities of her office. I know I share the sentiments of all Canadians when I say how proud I am that she is the Queen's representative in Canada.

Last week, I extended my congratulations to His Honour and to my leadership colleagues on both sides of the house, and I look forward to working closely with them in the spirit of collegiality in the business of this chamber on behalf of all Canadians.

I commend Senator Meighen and Senator Champagne for their valiant defence of the Speech from the Throne. Their words would have us believe that all we had to do was gaze in admiration as the government unerringly leads us all to the promised land.

• (1430)

If only that were so, but, given what we saw during the last Parliament, you will forgive me if I am a little skeptical.

Since we last met, Canadians have been subjected to the most expensive election campaign in Canadian history, at a cost of upwards of \$350 million. While it is true that the Conservatives were returned to office with a strengthened minority and the Liberals suffered significant losses, the composition of the other place is not much changed. The election was marked by unprecedented negativity and, not unexpectedly, the lowest voter turnout in our nation's history. Only 59.1 per cent of eligible voters cast their ballots. Just over one third of those, and only 22.2 per cent of eligible voters, supported the re-election of the government. I would suggest that none of us can draw much satisfaction from these results.

Prime Minister Harper, in rationalizing his decision to call an election one year in advance of the date prescribed by his own fixed election date legislation, suggested that Parliament had become dysfunctional.

Honourable senators, someone said to me the other day that it is not Parliament that is dysfunctional — it is the politicians who work there that are dysfunctional. It seems to me there is an uncomfortable amount of truth in that statement for us all.

Nevertheless, the voters have spoken, and, as democrats, we accept the results, but we must also learn the lessons. Canadians expect — and have the right to expect — that their politicians will rise above partisanship and address the pressing problems facing this country.

Honourable senators, we on this side of the chamber have been eagerly looking forward to the start of this session. We will fulfill our constitutional responsibilities by being an active, aggressive and progressive opposition. We intend to carefully scrutinize the

government's legislative program and will propose legislative measures of our own. Where we find fault with the legislation, we will propose amendments to improve it. If, on the other hand, we find favour with the government's proposals, we will accept them. Always, our guide will be the public good.

Our leader the Honourable Stéphane Dion last week set out our approach as it relates to the serious issues facing the economy:

Demanding strong action from the government on the economy will be our primary task. While reviewing every government action we will ask three key questions. First, will the government proposals protect and create jobs? Second, is the government doing all that it can to safeguard Canadians' pensions and savings? Third, of course, are the government proposals fiscally responsible? Government proposals for the economy that meet these three tests will be supported by the official opposition.

While we congratulate the government on its return to office, we are very conscious that Canadians did not see fit to return it with their much desired majority. On the contrary, Canadians held this government to a minority. Indeed, while it is true that it is a strengthened minority from the previous Parliament, in fact, fewer Canadians voted for the Conservative Party this time than did so in 2006. By refusing to give the government a majority, Canadians have directed us as clearly as they can and in the best democratic tradition by their votes that it is their wish that we be a strong opposition.

It is not and never has been our intention, notwithstanding the musings of our colleague Senator Brown, to obstruct the government's program for purely partisan purposes. However, we do intend to fulfill our constitutional responsibility within the Canadian parliamentary tradition, carefully examining and assessing that program, listening closely to the views of interested parties and using all of our skill and experience to ensure that the legislation passed by this chamber is the best that it can be for Canadians. We will respond to the demands for the public good but not to the dictates of artificial deadlines. We take our responsibilities seriously, and we intend to carry them out to the best of our abilities.

During the election campaign, there were suggestions that a re-elected Conservative government would treat all votes on any matters set forth in its election platform to be confidence motions. The Senate, though not under our Constitution a confidence chamber, would be expected to defer to the government's demands by threats to members in the other place of another election. The assumption underlying this position is that the Canadian electorate gave the government a mandate to implement its platform and all steps to that goal would, therefore, be considered confidence matters.

While there was much debate during the election campaign about whether Canadians should return a Conservative government with a minority or a majority, it cannot be said that there was anywhere near the same level of attention given to the details of the Conservative platform. Indeed, that platform was not even released until less than a week before election day and only after some 1.4 million Canadians had already cast their votes in advance polls.

Let us be very clear: This government cannot take the position that it has a mandate from the electorate to implement everything set forth in its platform. Indeed, some 62 per cent of Canadians voted for a party and a platform, if you will, other than the Conservative one.

Let me quote from an editorial that appeared in *The Globe and Mail* on September 24 addressing the remarkable assumption that bills in this new Parliament would once again be put to the opposition as a "take-it-or-leave-it proposition":

This is not how a minority government should work. Confidence votes are to be limited to money bills and measures at the core of the government's agenda — not routinely invoked by a prime minister whenever he wishes to put pressure on other parties to support less important bills. If Canadians elect the Conservatives with another minority, they will be explicitly saying that they have not entrusted them with full power over the legislative agenda — that they expect them to try to work with the other parties.

The Harper government rejected this approach in the last Parliament. It refused to even consider amendments proposed by this side in good faith and based on serious committee study. The Harper government obstructed the parliamentary process in committees in the other place and generally made a mockery of Canadian parliamentary tradition.

I hope with this election we have ushered in a new era. I go so far as to suggest that the government now adopt the moniker "Canada's New Government" to announce that it will do things differently this time around because business as usual as defined and practiced by this government is just not on. Canadians expect better, they demand better and, frankly, they deserve better.

Honourable senators, we are at a time of historic change in the world. We face great challenges, but, amazingly, there is a spirit of great hope. All of us watched the recent election in the United States and witnessed the determination and pride of our American neighbours as they elected the first African American to be President of their country.

What stood out for me was the President-elect's message of the need to work together, not to be mired in political partisanship, but to dare to do things differently. I was struck by his promise to the American people, repeated on election night in his victory speech:

But I will always be honest with you about the challenges we face. I will listen to you, especially when we disagree.

He went on to say:

Let us resist the temptation to fall back on the same partisanship and pettiness and immaturity that has poisoned our politics for so long.

I regret that similar words and sentiments were nowhere to be found in Mr. Harper's victory speech on October 14 or in his government's Speech from the Throne.

I believe Canadians want us to dare to do things differently. Canadians want and, indeed, expect us to work together for the public good, so I invite the government to throw out its manual

directing Conservative parliamentarians to disrupt and obstruct committee proceedings when they disagree with the direction of that work.

• (1440)

I challenge the government and its supporters in Parliament to dare to listen, especially to those who disagree. I am certain we will disagree. Our views of the public good will, at times, differ remarkably from yours, but I promise you that we will listen carefully to you, and we expect you to give our views the same respect, for, indeed, we all seek to do what is the best for Canadians.

I will conclude this part of my remarks by quoting a former Leader of the Opposition in this place, Senator Lynch-Staunton, who said the following in the Speech from the Throne debate on January 20, 1994, when he found himself the leader of a Senate majority opposition:

Every piece of government legislation will be given the scrutiny and the assessment it deserves. It will be subjected to rigorous committee hearings when found necessary. It may even, on occasion, be subjected to amendments in order to improve it and be returned to the House of Commons for reconsideration in its new form. In the long run, however, the Senate must not, cannot be the final arbiter. It can, and must, contribute through the knowledge and experience of its members to what it considers better legislation. However, should the House disagree, then so be it, for the Senate must act as it sees fit. The decision of the elected must, and will, be abided by.

Subsequent events gave Senator Lynch-Staunton an opportunity to clarify what he meant by that. His interpretation of the role of the Senate when confronted with a different view expressed by the elected House of Commons was illustrated most clearly with the final vote on the Pearson airport bill in 1996. The outright defeat of that bill in this chamber by the Conservative majority occurred soon after the electorate had voted into office a strong Liberal government. Indeed, the Progressive Conservative Party had been reduced to two seats in that other place.

The subject matter of the Pearson Airport bill was hotly debated during the election campaign and was a fulfillment of a high-profile promise made by prime-minister-to-be Jean Chrétien during the campaign of 1993.

In 1996, the Conservative members of this chamber demonstrated very clearly their view of the power and role of this chamber, even in the face of a clear opposition from an elected house where they had but two elected members, and in the face of a clear electoral mandate given by Canadians to a new government in an overwhelming way.

Indeed, I understand that the current Leader of the Government in the Senate herself stood and voted to defeat the Pearson Airport bill, notwithstanding that the bill fulfilled a high-profile promise made during the election campaign by the soon-to-be prime minister, and notwithstanding that her own party had been defeated in the election and reduced to two members in the other place. By casting that vote, the leader has expressed loudly and clearly her view of the role of the opposition in the Senate.

I remind honourable senators that Senator Lynch-Staunton's speech was given at the start of the first session following a change in government in 1994. He went on to say:

We may have switched roles and seats, but our goals and intentions are the same: to continue to have a Senate where Canadians can find men and women from all over the country, from various political parties and, in some cases, with no official political affiliation, who are proud to have this unique opportunity to serve their fellow Canadians in this historic place, and are committed to contributing to the legislative process in an open and positive way for the benefit of all the Canadian people that they have the honour to serve.

I agree with those words of one of my distinguished predecessors about the fundamental role of this institution.

Honourable senators, we are faced with serious challenges in the country today. Whether our economic situation is as dire as some would suggest — the worst in 80 years — or not, it is certainly more serious than the Prime Minister pretended during the election campaign. Now that he has been returned to office, he has a duty and a responsibility to present the facts to Canadians and to outline the steps his government will take, both on its own and in concert with our economic partners around the world. He must not let his laissez-faire, leave-it-to-the-market ideology get in the way of taking appropriate action.

Honourable senators, Canadians expect this government to be proactive and not hands-off in navigating these troubled waters. Canadians are understandably concerned about the future; their future and the future of their children. Honourable senators, laissez-faire is simply not an option.

I was pleased to see that the Prime Minister, even if he did not actually admit he was wrong, at least did the right thing and adopted the plan presented by Mr. Dion during the election. We all recall how the Prime Minister ridiculed Mr. Dion's plan to begin to deal with the economic turmoil. At that time, the Prime Minister was still asserting that the Canadian economy's fundamentals were solid, the finances of the average Canadian household were not at risk and no action of his government was required.

Canadians have seen how quickly after the election Prime Minister Harper turned around and proceeded to do just about exactly what Mr. Dion had recommended. That is a good thing. It is a good thing to recognize when you are wrong and your opponent is right. There are many areas in which I hope the Prime Minister continues to take this enlightened approach.

Like all Canadians, I have been dismayed to see the \$13.2 billion surplus that he inherited from the Liberal government dissipated so quickly that today the Prime Minister and his finance minister are preparing Canadians for another round of Conservative deficit budgets.

The speed with which the Prime Minister came to this realization is astonishing. On October 7, he was promising Canadians that a Conservative government would never allow the federal finances to slide into deficit. That is something, he proclaimed, that set him apart from the opposition party.

On October 11, a mere three days before Canadians went to the polls, he was dismissing as ridiculous any suggestion that his government would run a deficit.

We all know what happened. Within a week after the election — for the record, let us be clear that this was well before Mr. Harper attended the G20 meetings on November 15 — deficits were not so terrible or ridiculous. Suddenly, his finance minister was telling Canadians:

... long-term damage ... can result from misguided attempts to balance the books during an historic global downturn.

Now the finance minister is talking about selling off federal assets to try to stave off a deficit. I would not have thought that current market conditions would bring Canadian taxpayers the best bargain on these assets.

Prime Minister Harper has been trying to assure Canadians this will not happen. “The government will never engage in a fire sale of assets,” he said. We have heard that line from this Prime Minister before. It sounds remarkably like a Conservative government would never allow the federal finances to slide into deficit.

A few short days and an election later, the finance minister was telling Canadians that a federal deficit would not be the worst thing possible. Perhaps the real truth is that we are now learning what the Prime Minister was alluding to during the election campaign when he said there were bargains to be had for savvy investors: bargain-basement prices during a government liquidation.

Honourable senators, what concerns me more than the prospect of yet more Conservative deficits is what this sorry tale says about the mismanagements and misjudgments by the government of Prime Minister Harper and what it bodes for the future.

I am a Liberal, and I am a proud Liberal. I remember very clearly the hard work it took to beat down the \$42 billion deficit that the Liberals inherited from the last Conservative Prime Minister, your friend, Brian Mulroney. We succeeded. The Liberal governments of Prime Ministers Chrétien and Martin made the tough decisions, took the political heat and made sure that the fundamentals of the Canadian economy were placed back on a sound footing.

The result: The Conservative government of Stephen Harper inherited, not a \$42 billion deficit, but a \$13.2 billion surplus. It inherited a Canadian banking system that was strong, not least because the Liberal governments had withstood considerable pressure to deregulate the banking system and loosen up Canada. We held strong in the face of powerful pressure, including from the United States and Britain, our closest allies, and the country is now reaping the benefit of our judgment and our strength.

• (1450)

Mr. Harper is proud that he is an economist. Why, then, did he not anticipate that Canada would be impacted by the current international economic turmoil?

[Senator Cowan]

Former Prime Minister and Finance Minister Paul Martin was interviewed recently by *The Globe and Mail*. He said that the extent and timing of the sub-prime mortgage crisis was unpredictable. He was asked, “But could anyone have told you a major financial shock was going to occur because of excesses?” “Absolutely,” he said.

Another former Liberal Finance Minister, Ralph Goodale, who served as Canada’s Minister of Finance from 2003 to 2006, wrote last week from his experience:

The best economic forecasters in the private sector and within government have been warning successive finance ministers since at least 2003 about the huge downside risks posed by the precarious American situation. Previous Liberal governments took these warnings seriously. Stephen Harper did not.

Why did Prime Minister Harper, an economist, ignore these many warning signs? Why did he allow himself to squander the surplus he inherited so that now he has virtually no fiscal room left to provide Canadians with the relief and help that they need? Instead, he muses about a fire sale of assets Canadians have spent generations building, so that he can keep the books balanced.

How could he stand before Canadians and tell them his government would never allow the federal finances to fall back into deficit, and then, mere days after his government was re-elected, acknowledge that a deficit is a very real possibility if not a probability? Was it ignorance? Was it carelessness? Was it mismanagement? How can we be confident that ignorance or carelessness or misjudgments will not happen again, indeed are not happening now, and that the Canadian economy and Canadian jobs and pensions will not be “collateral damage”?

In the Speech from the Throne, we heard the latest promise from the Harper government on the deficit question. Mr. Harper has changed from promising Canadians that his government will never allow federal finances to fall back into deficit to now saying that the government will never allow federal finances to fall back into “structural” deficits. Why should Canadians trust that promise when Mr. Harper broke the last one with such blinding speed?

The costs for Canadians are already skyrocketing. The government’s latest financial package to help keep credit flowing through our system includes tripling, to a massive \$75 billion, the federal government’s mortgage buy-out program. I appreciate that these are difficult times and we are in uncharted waters, but, frankly, that goes with the territory of governing a major economy.

In his article last week, Mr. Goodale wrote about the numerous crises, both international and domestic, that Liberal governments had to contend with. He wrote:

We withstood the consequences of major international currency crises in Mexico and Asia, the SARS pandemic, mad cow disease and the fallout from 9/11, while still cutting taxes, paying down debt, investing in health care, education, innovation and infrastructure and staying solidly in the black at the same time.

But no more. Mr. Harper has squandered Canada's fiscal capacity.

So the first external crisis to come along on his watch results in a deficit. And that's entirely his responsibility.

More and more Canadians are wondering whether this government really knows what it is doing. Many Canadians were concerned to hear Prime Minister Harper admit last week that he was surprised to learn that Canada is likely going to be in a recession by the end of this year. He went on to say that he was further surprised by the deflationary pressure ongoing around the world.

How can our Prime Minister, the economist, who presumably has been following these developments closely and is being briefed frequently, be surprised at this? I ask again: Does this government really know what it is doing?

The record of the Harper government does not give me much confidence in their managerial competence. This year they will spend about \$33 billion more than the Liberals did in 2005. With Budget 2007, Finance Minister Flaherty became the biggest spending Minister of Finance in the history of Canada.

Dale Orr of Global Insight recently commented on this situation. He suggested that Canada faces a \$10-billion deficit in 2009-10. He cited two main reasons for this: the Harper government's abandonment of the Liberal's annual multi-billion dollar contingency fund and letting spending get out of control. He said that the Conservatives had "abandoned prudent budgeting." Our own Parliamentary Budget Officer has warned that the deficit could reach \$14 billion by 2009-10 with successive deficits not much better for the following years. That looks pretty "structural" to me.

Let us be clear about the real cause of the structural deficits. The Parliamentary Budget Officer said:

The weak fiscal performance to date is largely attributable to previous policy decisions as opposed to weakened economic conditions, since nominal GDP is higher than expected in Budget 2008. Tax revenues are down \$353 million this year to date compared to a year earlier, due in large part to recent policy measures, such as the second one-percentage point reduction in the Goods and Services Tax and reductions in corporate income taxes.

The reduction of the GST was a colossal public policy blunder. I have yet to hear a single Canadian say, "Thank God for a 2 per cent GST cut." It does not help with groceries, rent, mortgage payments or prescription drugs, as there is no GST on them. It does help with big ticket luxury items, such as a Rolex watch or a Lexus, but I do not know of many middle-income Canadians who own those. The largest benefits of that decision went directly to those who needed it least.

Senator Comeau: I was here during the GST debate.

Senator Cowan: However, all Canadians are feeling the impact of these difficult economic times. The auto and forestry workers worry about their jobs. How much did they save in the last two years from the GST cut? Yet, that cut has made it much more difficult for this government —

Senator Comeau should listen to this; it might help.

That cut has made it much more difficult for this government to help Canadians who have lost their jobs to retrain and weather this economic storm. The reality is that, thanks to the Harper government, tax cuts for the rich have been at the cost of the government helping lower- and middle-income Canadians.

Honourable senators, under the Harper government, Canada's national productivity level has declined. Senator Mitchell referred to that earlier. According to the report of the Canadian Centre for Policy Alternatives, which examined Statistics Canada figures:

The Harper government represents the first elected federal administration to experience a decline in average national productivity during its entire term in office since Statistics Canada began gathering productivity data in 1961. . . .

Even the ill-fated government of Joe Clark (which governed for just 9 months in 1979 and 1980) . . .

I believe Senator Comeau might have been here for that, too.

. . . oversaw a (small) increase in national productivity, of about 0.4 per cent.

This report was published in September of 2008, at the very time that Mr. Harper was declaring that the fundamentals of the Canadian economy were strong, that there was no risk of a recession here, and that all was fine and rosy.

Honourable senators, this government has much to answer for, but much more to do to help Canadians in these uncertain times. Governments do have a critical role to play, and Canadians everywhere expect them to play that role.

• (1500)

We urge the government not to let its laissez-faire ideology prevent it from doing its duty.

We are concerned also that the current economic turmoil not be used by this government as an excuse to make ideologically motivated cuts to important government services. I noted the statement in the Speech from the Throne, which said that the government:

. . . will pursue innovative reforms to the administration of programs and services drawing on the successful experiences of other governments around the world. It will build partnerships with third parties and the private sector to deliver better services at a lower overall cost.

. . .

Our government will cut the red tape faced by the private and not-for-profit sectors when doing business with the government.

It is fine and laudable to deliver better services at a lower cost. We are always in favour of eliminating red tape when that red tape does not serve the public interest. However, we have seen various conservative-minded governments that have been prepared to privatize critical oversight to reduce budgets. The results can sometimes be tragic. Simply ask the people of Walkerton.

The economy is and must be a central part of this government's agenda, but, of course, it is not the whole plan. I am concerned to see the critical policy areas that were left out of this government's agenda all together.

I am disappointed to see nothing in the speech to address the urgent need for quality child care. It is now absolutely clear that the program the Harper government put in place during the last government is, as many of us suspected, nothing more than a baby bonus. As far as we can tell, despite repeated requests for information to the contrary, this program has not created a single child care space anywhere in Canada.

At a time when we face a severe shortage of skilled workers, many workers — particularly women — are unable to return to the workforce because of the unavailability, to say nothing of the affordability, of quality child care.

This is wrong.

Senator LeBreton: That is why we want all those working mothers —

Senator Cowan: It is time for this government to admit it made a mistake when it tore up the child care agreements —

An Hon. Senator: We will see what will happen next year when we have the next election.

Senator Cowan: — that Ken Dryden negotiated with each of the provinces.

It is fine for the government to say, as it did in the speech, that the Harper government "is committed to supporting working families," but where is the government's action plan to help working parents access quality child care?

I am also disappointed to see so little in the speech about Aboriginal Canadians. I suspect this government realizes the opportunity that was lost when it chose, for purely partisan purposes, to tear up the Kelowna Accord. Finally, we had a series of agreements that had the support of Aboriginal groups, the provinces, the territories and the federal government. This accord was truly a monumental achievement of the Martin Liberal government.

Honourable senators, the Kelowna Accord may be gone, but the federal government's responsibility to Aboriginal Canadians remains. The time lost has only worsened conditions and made the need even more urgent in education, health care, housing and infrastructure. Apologies are an important step, and I commend the Prime Minister for his action in that regard last year. However, there is much more that must be done now to help Aboriginal Canadians. Once again, it is the right thing to do.

[Senator Cowan]

I am also not encouraged by what we heard in the speech with respect to the environment. This cannot be a matter of ideology or partisan politics. It is the future of our country and the health and well-being of our children and grandchildren.

The Conservative Party was aggressive and successful in trashing the green plan proposed by the Liberal Party during the election. So be it, but the government has a responsibility to propose a real alternative. Scientists, other experts and commentators have been almost unanimous in giving a failing grade to the Conservative environmental plan.

Does the Harper government understand the enormity of the environmental challenges we face? Alternatively, is it so short-sighted, thinking only in the short-term and of the next election, that it is prepared to ignore these critical policy issues facing this country and the world?

I accept that the Green Shift is dead. It was a policy of vision and of courage. We all know, whatever my colleagues opposite may say publicly, that it would have been good for the country economically as well as environmentally.

Some Hon. Senators: Hear, hear!

Senator Cowan: While accepting the result, we do not accept that the government can wait indefinitely to present a real alternative. There is no time to lose.

Honourable senators, it is ironic that under the rubric of saying that the government "will support the development of cleaner energy sources," the Speech from the Throne elaborated that it will develop the natural gas resources that lie beneath Canada's North. The Harper government went on to say that it "will reduce regulatory and other barriers to extend the pipeline network into the North."

Which regulatory and other barriers does Mr. Harper plan to cut so that this pipeline can forge ahead?

The Canadian Arctic has borne a disproportionate impact from climate change. Indeed, it is because of global warming caused by our burning of fossil fuels that the Arctic's natural gas is available for exploitation. Many Canadians would say that any venture to develop natural gas resources in the North requires more stringent regulatory protection, not less. I ask again: Which regulatory and other barriers does Mr. Harper plan to sweep away on behalf of his friends in the oil and gas industry?

Honourable senators, I know that some will be surprised to hear that there are two areas in which I would like to congratulate the government. I believe in giving credit where credit is due.

First, we commend the Prime Minister for having finally, at long last, convened a real first ministers meeting. As I said earlier, one of our goals is to ensure that the Constitution is upheld in letter and spirit. A fundamental principle is the partnership between federal-provincial-territorial governments. Regular, serious and substantive first ministers meetings — not photo ops or dining opportunities — are an essential part of that partnership.

Some Hon. Senators: Hear, hear!

Senator Cowan: I look forward to this government convening more. Hopefully in the future, they will be planned and organized in a way that all first ministers will be able to attend and participate.

The second issue on which I commend the government concerns the former Bill C-10 with which we in this chamber are familiar. We welcomed the announcement during the election to delete the clause in the bill that would have allowed the government to deny tax credits on the grounds of public policy. Many of us in this chamber, certainly on this side, were deeply concerned that this clause essentially authorized government censorship and could have had a devastating impact on the Canadian film industry.

We commend the government for admitting that it was wrong and for putting ideology aside in favour of good public policy. That is the right thing to do. I hope this is the new direction for the government — a sign of things to come.

Honourable senators, I cannot be as optimistic about the next issue I wish to talk about — the government's proposed crime bills.

The government has declared its intention to get tough on youth crime. These sentiments were rampant at the Conservative Party's recent policy conference in Winnipeg. That was the one held behind closed doors.

The Prime Minister and his Justice Minister like to paint those of us on this side as soft on crime as if we — as spouses, parents and grandparents — want Canada to be a safe haven for criminals, want our streets to be dangerous and are indifferent if our children and grandchildren are unable to play on the streets or walk to school safely. That is nothing short of insulting.

• (1510)

Frankly, I think those kinds of false statements are beneath the dignity of a Canadian government; but such slanders have a long tradition in the Conservative Party, going back several years to the charge that the leader of the Liberal Party and Prime Minister of Canada supported child pornography.

I regret that such outrageous allegations are nothing new to the Conservatives. However, what concerns me more than irresponsible name-calling is irresponsible policy-making by this government.

Honourable senators, sending young people to jail for longer and longer terms will not prevent crime. Changing the law so that newspapers can name youths will not prevent crime. If, as this government says, the goal is to make Canada a safer place, to prevent crime and to deter criminal behaviour, these proposals will not do it.

Ottawa's Chief of Police, Vern White, openly admits that he is "big on tough-on-crime," but the Conservative proposals for a new youth justice law, in his view, will not work to stop youth crime. He was quoted in the *Ottawa Citizen* as follows:

I would have to hear some expert convince me that this is going to deter some 14-year-old from committing some heinous criminal act.

A 14-year-old is not for one second thinking "My God, I hope they don't put my name in the paper if I kill somebody." I have no issue with naming a 14-year-old who does a homicide. But I don't know that it's going to have any impact.

The same with tougher sentences; the chief said this:

We have the ability now to drive a young offender into adult court and get a tougher sentence than we would otherwise. If we're trying to protect the public from a murderer who's going to kill again, and keeping them in jail for life is the answer, then I'm good for this. But it's not going to be a deterrent.

Most young criminals, typically young males, simply don't consider the prospects of longer jail or prison terms when they're about to offend.

If deterrence is the goal, governments should concentrate more on rehabilitating young criminals and preventing youth from turning to crime in the first place.

This statement is from someone who has devoted his life to fighting crime, working on the front lines. I challenge anyone to accuse Chief White of being soft on crime, but he knows that these proposals will not prevent crime. These proposals — to name and shame, to lock kids up for longer and longer sentences — will in all likelihood not deter a single young person from committing a crime.

Chief White is not alone in questioning whether the government's proposed youth justice bill will work to deter crime. Former Nova Scotia Supreme Court Justice Merlin Nunn wrote a landmark youth justice report that was extensively referenced by Mr. Harper when he outlined his youth justice proposals during the election. Remarkably — and I cannot think of a single other instance where a justice has commented publicly — Justice Nunn went on record disagreeing with the Conservative's youth justice plan. This is what he said:

They have gone beyond what I did, and beyond the philosophy that I accepted. I don't think it's wise. It might be politically appealing to people who say "these kids should all be in jail."

There is no proof that long sentences are going to do anything except sometimes make things worse because the young kid sentenced to a longer term in prison . . . is going to come out. And he may very well be a lot worse than he was when he went in.

Colleagues, these proposals are not about finding the best way to prevent youth crime. They are all about ideology and political posturing.

Senator Tkachuk: And yours is not?

Senator Cowan: Ideology and political posturing will not make our streets safer. Frankly, I worry that these policies will, in fact, make Canada a more dangerous place. As Justice Nunn said, and as witnesses who testified before our Standing Senate Committee

on Legal and Constitutional Affairs on the last crime bill in the last Parliament repeated, eventually these offenders will be released from prison, and they may well be worse than when they went in.

One witness on the last crime bill who testified in the other place, RCMP Chief Superintendent Michael Woods — again, somebody who is not likely to be tagged as soft on crime — said this, referring to the offender:

The threat to the community is eliminated through his lack of access to it, but he may be a greater threat on his release. Prison allows him to learn his craft better and provides him the opportunity to increase his network.

We will study the youth justice bills when they come before us, but let us be very clear: Our guiding principle will be to find real solutions to real problems. Our goal is not simply to be able to say that we did something. Our goal is to convince the government to take real action that will be effective and consistent with Canadian values and beliefs.

Honourable senators, I want to speak about one final substantive policy issue — the government's platform on democratic reform.

The Prime Minister has presented himself to Canadians as a disciple of democratic reform, committed to accountability, transparency, openness, fixed election dates and Senate reform. However, his actions have made it clear that he is a believer in the theory rather than the practice of democratic reform and the appearance rather than the reality of accountability, transparency and openness.

Senator Smith: He does not walk the walk.

Senator Cowan: The Prime Minister said that fixed election dates were necessary to prevent a prime minister from manipulating the process. His belief in that principle certainly did not last very long. Some \$350 million was spent on this recent election. Most Canadians would question whether the small changes that resulted were worth the expenditure, especially as Canadians are tightening their belts and taxpayer money is so urgently needed to help Canadians weather these challenging economic times.

On accountability, transparency and openness, most observers would agree that this is the most secretive, closed and controlling government in Canadian history.

Senator Comeau: So you say.

Senator Cowan: It is not just me. Those of us who worked closely on the famous accountability bill saw its many flaws, the numerous places where it promised one thing but actually delivered something quite different. For example, the amendments to the Access to Information Act, which have been touted by the government as heralding a whole new era of accountability and transparency, actually contained provisions, which the Office of the Information Commissioner considered would introduce mandatory secrecy forever.

[Senator Cowan]

Witnesses described the government's measures as "smoke and mirrors"; and what happens to Canadians who disagree with this government's proposals? Our public servants are trained to "speak truth to power." Again, this principle, so fundamental to our system, recognizes how important it is to listen, especially to those who disagree, but not in this government.

The Deputy Information Commissioner who presented those views of the proposed amendments was dismissed from his position. Alan Leadbeater was told that he was no longer needed and, after 15 years of service to that office, he was escorted from the building.

Senator LeBreton: We did not do that.

Senator Milne: Shame.

Senator Cowan: This is an article in *The Globe and Mail*, which is the leader's favourite source of research. The article quoted the new Information Commissioner taking responsibility, saying it was his decision, not the government's, and made because he needed a "flatter organization." If that was the case, why escort Mr. Leadbeater from his office? Surely, 15 years of dedicated service deserved better treatment than being goose-stepped from one's office.

Our fears appear to be justified. The new Information Commissioner, Robert Marleau, evidently reached the same conclusion as his predecessor. In February, the *Ottawa Citizen* had a banner headline which read:

Tories creating "fog over information." Government not living up to pledge to be more transparent, analysts say.

The article in the February 4 edition of the *Ottawa Citizen* continued:

Information Commissioner Robert Marleau says that contrary to Mr. Harper's election pledge to make transparency a hallmark of his administration, a "fog over information" has crept across the government's activities.

Mr. Marleau said complaints to the Commissioner's office about lack of access to government information have doubled during the past year.

The government has not been any more open or transparent since then.

• (1520)

A recent article in *The Globe and Mail* reported that the government:

... has moved to centralized control over the drafting of Canadian embassies' reports on the human rights records of foreign countries, demanding that they draw a sharper line around information they want to keep secret from the public.

The article continues:

Foreign Affairs officials have sent new guidelines to embassies that order them to make a "sharp, clear distinction" between sections of the report of the report to be made public and those that will be classified.

The public portion will be only a general description of the country's situation. The more rigorous analysis is to be kept secret.

Embassies are directed to send drafts of the reports in earlier so that officials in Ottawa can review them and consult on the final versions.

Our foreign service is amongst the best in the world, yet this government does not trust its own highly trained, professional foreign emissaries, and it does not believe that Canadians are mature enough to deal with the unadulterated truth about human rights abuses in foreign countries. This is at a time when young Canadian men and women are overseas, dying in defence of human rights and democracy. The hypocrisy is breathtaking.

The government's secrecy runs from deadly serious issues — such as blocking public hearings into the question of whether the government ordered Canadian soldiers to transfer prisoners to Afghan security forces, knowing that they would likely be tortured — to the absurd.

The National Capital Commission has invoked national security to keep secret the plans and cost of renovations at the Prime Minister's residence at 24 Sussex Drive. The cost of renovations in the Prime Minister's residence is a matter of national security?

University of Ottawa Professor Amir Attaran decided to test the limits of secrecy of this government. He requested information about hairstyles and personal grooming items for Afghan war prisoners. These requests were denied on national security and privacy grounds.

Honourable senators, I can understand that issues of privacy may be involved, but national security? How is the hairstyle of a detainee a matter of national security? This is not accountability, transparency or openness. This is secrecy run amok.

The Conservative Party promised that its Federal Accountability Act would usher in a strong new era of ironclad protection for whistle-blowers. In fact, prominent Canadian whistle-blowers who testified before our committee begged us not to pass those provisions, calling them a "cruel delusion."

We have seen that the government is selective in its view of who is a whistle-blower. Luc Pomerleau was fired by the Harper government for telling his union colleagues about a report, found on a web server, detailing the government's plan to reduce the federal government's role in food safety oversight. According to this government, he was not a whistle-blower, even though his concern was to prevent increased risks to Canadians' health. To add insult to injury, Agriculture Minister Gerry Ritz claimed that the person who fired this whistle-blower was the real hero and, indeed, the real whistle-blower.

I somehow doubt that the many victims of the terrible listeriosis outbreak that has claimed 20 lives and sickened many more would agree.

What, honourable senators may ask, is the latest on the new Public Sector Integrity Commissioner, the watchdog created under the new whistle-blower legislation to extend that "ironclad" protection to Canadian whistle-blowers? As a recent article in *The Hill Times* put it:

Remarkably, in her first year of operation, with a staff of 21 people and a budget of \$6.5 million, the Commissioner has found not a single instance of wrongdoing.

The Hill Times suggested there were two possible interpretations:

One is that there has been a remarkable cleanup within government: that the creaking system which has brought us so many scandals in the past is suddenly squeaky clean. If we believe this, then none of the vast river of money that flows through the system (about \$1.5 million each day) has been wasted or misappropriated. And not one of our 400,000 diligent public servants has observed any serious wrongdoing all year. . . .

The other possible interpretation is that the new Commissioner's office is totally ineffective.

Honourable senators, it is not enough —

Senator Segal: Attack on the public servants? Unfair!

Senator Comeau: Vicious attacks.

Senator Cowan: It is not enough to say that you are taking steps to enhance accountability, transparency and openness in government. The steps have to be real and effective. It is not enough to talk the talk; you have to walk the walk.

That brings me to the issue of Senate reform, an issue apparently close to Mr. Harper's heart. However, Canadians do not appear to share Mr. Harper's view of the urgency of this issue. With the economy in serious trouble, Canadians losing their lives in Afghanistan, senior citizens seeing their pensions and retirement savings evaporating, and climate change no longer a threat but a reality, Canadians have more immediate pressing concerns than Senate reform. However, this Prime Minister has declared that he is determined to press ahead, and reiterated this in the Speech from the Throne.

I know that all of us in this place would like to make this institution as good as it can possibly be. Any institution needs to change to adapt to changing circumstances, and the Senate is no exception. However, the Senate is one of the fundamental institutions of our nation. Its structure, role and powers, as we know here very well, were extensively debated, negotiated and carefully designed in 1867. Senator Comeau's province and my own province of Nova Scotia would never have entered into Confederation with Upper and Lower Canada without the protection of an appointed Senate with real powers. It knew that Upper and Lower Canada would dominate the other House. The Senate was specifically designed as a balance against that.

Our Legal and Constitutional Affairs Committee heard during the last Parliament extensive testimony that the Prime Minister cannot constitutionally proceed as he wishes to change the Senate. The provinces must consent and, indeed, several provinces are on record as opposing the Prime Minister's plan unilaterally to change this body.

Indeed, *The Globe and Mail*, on October 17, reported our colleague Senator Brown as expressing his own misgivings about what is being proposed. The article quoted him as having:

... raised doubts about the legality of the proposed changes without the approval of the provinces. He said the Constitution calls for these types of measures to meet the approval of at least seven provinces with half the population of Canada.

The headline of the article read, “Liberals, provinces slam Tory plans for Senate: Even fellow Conservatives question the feasibility of Harper’s controversial proposals for eight-year term limits, elected members.”

I remind honourable senators that while the Prime Minister persists in claiming that we are blocking Senate reform, in fact our position has been clear: The government should either obtain the consent of the provinces, or refer the Senate reform bills to the Supreme Court on a reference to determine whether, in fact, it is constitutional to proceed unilaterally with these changes.

Personally, I do not know what the Prime Minister is afraid of. Why will he not simply ask the Supreme Court to rule on his bills’ constitutionality? Let us be absolutely clear who is really blocking Senate reform. It is not the members of this chamber, however much others might wish to spin it. It is the Prime Minister himself.

Honourable senators, it is ironic that this Prime Minister would seek to impose changes to our democratic institutions while flatly refusing to comply with that most fundamental part of our democracy, the Constitution of Canada. Some would argue that insisting on one’s own reform while refusing to entertain others’ views is patently undemocratic.

• (1530)

I must mention one other item connected to the issue of Senate reform. It was buried in the Conservative platform from the recent election and then repeated in the Speech from the Throne:

Legislation will also be introduced to allow for nominees to the Senate to be selected by voters, to serve fixed terms of not longer than eight years, and for the Senate to be covered by the same ethics regime as the House of Commons.

Honourable senators, we have been through this issue a number of times before. I thought we had been through it twice but my colleague Senator Joyal told me yesterday that it was four times. The most recent time was under the Harper government during its consideration of the accountability bill. I thought the Prime Minister finally understood and accepted the Senate’s position, even if he did not like it. It would be a violation of the fundamental principle of the independence of Parliament for either House of Parliament to seek to impose rules on the other related to its powers to control the conduct of its members.

The issue of separate ethics officers for each House of Parliament was deliberated at great length during the consideration of the Federal Accountability Act. In the end, Prime Minister Harper understood and accepted that the two Houses should not have the same ethics officer and the Senate should have its own dedicated ethics officer. Yet, from reading the

Conservative platform and the Speech from the Throne, it appears the Prime Minister regrets having accepted these amendments to his accountability bill. Clearly, even the same rules would not remain the same for very long if they were interpreted by two different officers. If he was determined to have one ethics regime for both Houses, then he must intend to have one ethics officer for both Houses.

I am disappointed on two grounds, honourable senators. First, I thought the Prime Minister understood our parliamentary system and the reason for two separate ethics officers. Evidently, I was wrong. Second, and perhaps most important, this issue was debated at great length in the last Parliament.

I ask the honourable senators opposite: Do they genuinely support the Prime Minister’s declaration that he intends to revisit the question of the independence of our chamber? I am not aware of any problems with our ethics regime; there were no allegations of impropriety and no concerns about the performance or high ethical standards of the Senate Ethics Officer.

Given the many issues of pressing concern to Canadians, I fail to understand why our time must be spent revisiting, yet again, the reasons why this conclusion was reached in the last Parliament. Is this really such a pressing issue for this government?

I wish this government devoted as much attention to seriously addressing climate change or the challenge facing the automotive and forestry industries; to helping young families find affordable child care; to helping Aboriginal Canadians address the very serious housing and infrastructure problems they face; to improving health care for Canadians; to helping young Canadians afford post-secondary education; to restoring the shameful cuts to literacy programs; to restoring the arts programs — so vital to Canadian artists who contribute so much to our economy, as well to our national pride — which were all cut by the Harper government; in short, to addressing the real issues that are of real concern to ordinary Canadians.

Honourable senators, you will note that many of these issues are barely mentioned in the Speech from the Throne or are simply ignored altogether. This government needs to wake up to the real concerns facing Canadians. The honourable senators on this side are ready and willing to do whatever we can to help to improve the lives of all Canadians. We will operate as a thoughtful and loyal opposition in the best Canadian parliamentary tradition. That is how Canadians will be best served.

I said at the beginning of this speech that we will be an active, aggressive and progressive opposition. We will hold this government’s feet to the fire on these and other issues as they arise during the course of Parliament. We will not be distracted from the real issues facing our country: however, much this government tries to deflect attention away from them, which includes reviving issues dealt with by the last Parliament.

This institution was never meant to be the Prime Minister’s rubber stamp and it is up to all of us to ensure that it is not.

Some Hon. Senators: Hear, hear!

[Senator Cowan]

Some Hon. Senators: More! More!

The Hon. the Speaker: Do honourable senators wish to continue the debate?

On motion of Senator Tkachuk, debate adjourned.

CANADA SECURITIES BILL

SECOND READING—DEBATE ADJOURNED

Hon. Jeremiah S. Grafstein moved second reading of Bill S-208, An Act to regulate securities and to provide for a single securities commission for Canada.—(*Honourable Senator Grafstein*)

He said: Honourable senators, first, I want to congratulate His Honour. I somehow missed doing so in my speech the other day. I also wish to congratulate the leadership on all sides and particularly commend our new leader on this side for a remarkable, thorough and very thoughtful address on the Throne Speech. I hope all honourable senators listened carefully. It points to a path regarding how we in the Senate can move forward to deal with the huge problems confronting Canada.

Honourable senators, let me repeat more briefly this time the rationale for this bill, the predecessor of which I spoke on over a year ago and which, as honourable senators may recall, died on the Order Paper. Though this bill is still 218 pages long, the purpose of the bill is simple: If adopted, the bill would create a single regulatory body for the country's 13 current securities markets and that body would be situated within the National Capital Region.

Honourable senators, we all know now that we live in a much more complex world than even we thought. Canada still stands alone amongst all industrial nations in that we do not have a single national securities regulator for our securities markets. Having one regulator would improve the efficiency and — it should be emphasized — the productivity of Canada's capital markets at a time when the cost of capital is a crucial issue, not only within but also outside Canada.

This bill would provide Canadian corporations and their investors with greater certainty, consistency, efficiency and protection afforded by a single, national regulatory framework.

Moreover, the cost of capital would go down for Canadian corporations and the system would work faster and more productively, as the Standing Senate Committee on Banking, Trade and Commerce has pointed out a number of times in previous reports. This proposed legislation would modernize Canada's capital markets and pull us into the 21st century. The bill is obviously long overdue.

Around the world, developing and developed countries such as Singapore, China, India and Poland are quickly establishing single securities regulators in order to create economies that are competitive, efficient and productive. Canada is behind all of our global competitors on security regulation. Indeed, on a number of

occasions, the OECD has criticized Canada for its lack of a single regulator which inhibits Canada's role in having a more effective say in international markets.

• (1540)

Honourable senators will recall that during the Depression, the United States established a single securities regulator located in Washington as part of the "new deal." Canada took slow steps to modernize its economy during the Depression. Steps in the securities area were not undertaken by the federal government, so a vacuum developed that was filled by a plethora of provincial and territorial regulators, now 13 in all, each with somewhat different rules, regulations and procedures. These provincial securities regulators occupy the federal field of interprovincial commerce.

The government has repeatedly promised — as a matter of fact, all finance ministers have repeatedly promised — to reduce interprovincial barriers. We need one robust, cost-efficient, productive market in Canada, not fragmented, inefficient regional markets. One security regulator could lead the way to increasing Canada's productivity. As Senator Cowan pointed out, one of the problems in Canada is our lag in productivity. This measure could improve Canadian productivity quickly.

Why is our capital market the essence and the heart of Canada's growth and prosperity? Capital — and I know the capital system is under fire today — still needs jobs, growth and innovation. It drives our tax system and supports our social net. For scarce capital to be deployed directly and not frittered away in a costly and cumbersome regulatory system will simply create more jobs in industry, more manufacturing jobs, greater productivity, greater efficiency and prosperity for all of our citizens.

International observers who have looked at our situation have noted that we have one of the most inefficient financial services sectors in the world because of this plethora of regulation as it applies to securities.

Our colleague Senator Baker called my attention to the tangled security case law. The case law is thick with cases affecting securities regulation. In case after case, Canadian courts with different tests and standards in provincial and territorial legislation have made legal redress for the consumer complicated, slow and ineffective. The frustration of the courts across Canada is easy to discern when reading any one of these cases. No single government seems to be able to take it into account or to move to improve this hopeless legal situation or rectify this legal morass.

These different jurisdictions make it virtually impossible for shareholders to bring a successful action or for underwriters to bring a successful suit for offences such as misleading statements in IPOs issued across Canada because of this hodgepodge of different legal tests imposed by various regulatory regimes in Canada.

Read the cases, honourable senators, and ask yourself this: Where is responsible, accountable government that might redress these apparent flaws and gaps in the law? Why is this important reform to our economy necessary, and necessary now? Why is time of the essence? It is because global capitalism — and we read

this everyday in our newspapers — does not sit still. It moves effectively, quickly and promptly to the most efficient venues. In this time of economic turmoil, we can send a signal to the world that we are conscious of the need for better regulatory oversight. It would be a signal of regulatory reform of the first order for Canada. No reform is more immediate or vital to the vibrancy of our economy. Our global competitors are moving today, as they have for the last few months, to overhaul their regulatory and oversight systems in their economies to confront the current economic problems.

It is with great modesty that I say that I have studied this subject for over 40 years. This is the most important step to modernize our economy since the creation of the Bank of Canada.

Honourable senators, there is no question at all about the constitutional jurisdiction. The federal government has clear and unequivocal powers under the interprovincial commerce power and under the criminal power. Opinions on this are clear and acute. It was a paramount priority at the recent G7, G8 and G20 meetings, all of which have called for financial regulatory reform. Each Minister of Finance since the war, as has been said, has called for a single securities regulator.

Last year, the government finally undertook yet another study this time chaired by Tom Hockins. Based on press reports, a paper and legislation is just being considered. Meanwhile, meetings are taking place internationally and Canada cannot speak with one voice on behalf of its regulatory system. The security model I have proposed is clear and unequivocal. It gives the federal government the power to regulate securities under the interprovincial commerce power, and it can be supported by the unquestioned criminal power to enforce its regulation.

As honourable senators know, because the Banking Committee has studied this matter over and over again, a federal regulator

can be supported by strong and clear-cut criminal power to implement and enforce its provisions. This legislation can be implemented quickly after rigorous review by the Banking Committee.

I hope honourable senators will refer this bill to the Banking Committee as quickly as possible so that all the arguments and contentions made about this subject matter can be addressed. I urge the Senate to approve this bill at second reading and send it to the committee as its first order of business.

Now is the time for fundamental reforms to our financial regulatory framework in Canada. There can be no better time to finally modernize and strengthen the regulation and oversight of financial securities in Canada. Now is the time to act. I urge speedy approval of second reading so that the bill can be sent to the Banking Committee, once it is organized.

On motion of Senator Comeau, for Senator Meighen, debate adjourned.

COMMITTEE OF SELECTION

FIRST REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Committee of Selection (Speaker *pro tempore*), presented in the Senate on November 25, 2008.—(*Honourable Senator Tkachuk*)

On motion of Senator Tkachuk, report adopted.

The Senate adjourned until Thursday, November 27, 2008, at 1:30 p.m.

CONTENTS

Wednesday, November 26, 2008

	PAGE		PAGE
SENATORS' STATEMENTS		The Estimates 2008-09	
Grey Cup 2008		Supplementary Estimates (B)—	
Congratulations to Calgary Stampeders.		Notices of Motions to Strike Special Senate Committee.	
Hon. Bert Brown	53	Hon. Claudette Tardif	56
Four Hundredth Anniversary of the Establishment of Samuel de Champlain in Quebec City		<hr/> QUESTION PERIOD	
Hon. Serge Joyal	53	Finance	
Hon. Pierre Claude Nolin	54	Economic Downturn—Government Spending.	
National Child Day		Hon. Grant Mitchell	57
Hon. Elizabeth Hubley	54	Hon. Marjory LeBreton	57
International Day for the Elimination of Violence Against Women		Hon. Jean-Claude Rivest	57
Hon. Lillian Eva Dyck	54	Hon. Lise Bacon	58
The Late Honourable Bennett Campbell		Veterans Affairs	
Hon. Catherine S. Callbeck	55	Extension of Veterans Independence Program.	
<hr/> ROUTINE PROCEEDINGS		Hon. Lorna Milne	58
The Estimates, 2008-09		Hon. Marjory LeBreton	58
Supplementary Estimates (B)—Notice of Motion		Finance	
to Refer to Committee of the Whole.		Economic Downturn—Government Spending.	
Hon. Gerald J. Comeau	55	Hon. Jim Munson	59
Parliamentary Employment and Staff Relations Act (Bill S-214)		Hon. Marjory LeBreton	59
Bill to Amend—First Reading.		Human Resources and Skills Development	
Hon. Serge Joyal	55	Child Tax Benefit—Refundability.	
Inter-Parliamentary Union		Hon. Catherine S. Callbeck	60
Forum to Fight Human Trafficking, February 12, 2008—		Hon. Marjory LeBreton	60
Report Tabled.		Hon. Fernand Robichaud	60
Hon. Donald H. Oliver	55	The Senate	
L'Assemblée parlementaire de la Francophonie		Introduction of New Pages.	
Convention on the Elimination of All Forms of Discrimination		The Hon. the Speaker	61
Against Women—May 21-22, 2008—Report Tabled.		<hr/> ORDERS OF THE DAY	
Hon. Rose-Marie Losier-Cool	56	Speech from the Throne	
Canadian NATO Parliamentary Association		Motion for Adoption of Address in Reply—Debate Continued.	
Meeting of Subcommittee on Democratic Governance—		Hon. James S. Cowan	61
March 24-27, 2008—Report Tabled.		Canada Securities Bill (Bill S-208)	
Hon. Percy E. Downe	56	Second Reading—Debate Adjourned.	
Meeting of Defence and Security Committee—		Hon. Jeremiah S. Grafstein	71
January 28-February 2, 2008—Report Tabled.		Committee of Selection	
Hon. Joseph A. Day	56	First Report of Committee Adopted	72



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