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THE HONOURABLE NOËL A. KINSELLA
SPEAKER

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Debates Service: D'Arcy McPherson, Chambers Building, Room 943, Tel. 613-995-5756
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THE SENATE

Wednesday, February 4, 2009

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

Prayers.

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in the gallery of Mr. Esin Michael Chang, Ms. Maria Canaga and Mr. Tommy Thompson, executives with the Chickasaw Nation Division of Commerce. They are guests of the Honourable Senator Rod Zimmer.

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

[Translation]

SENATORS' STATEMENTS

NATIONAL YOUTH ORCHESTRA OF CANADA

Hon. Andrée Champagne: Honourable senators, early last fall, I had the opportunity to spend an especially wonderful evening at the Notre-Dame Basilica, the jewel of Old Montreal. The evening showcased music and youth. What could be better?

That evening, we were treated to an exceptional performance by the National Youth Orchestra of Canada. That concert by the orchestra's 96 musicians between the ages of 14 and 28 was one of nine concerts held in Canada and the United States in 2008. The audience rewarded the performers with an enthusiastic ovation. Everyone was deeply moved by the music.

Founded in 1960, the purpose of the NYOC is to prepare our young musicians for careers as professional orchestral players in Canada and abroad. It has been so successful that today, over one third of Canada's professional orchestral musicians have, at some point, been trained in the NYOC program.

• (1405)

[English]

Every year the National Youth Orchestra of Canada receives approximately 550 applications from students at some of our best universities and schools of music across Canada for a coveted 95 to 100 positions in the orchestra. Live auditions are held each year in January in about 30 communities across Canada. Successful students from all provinces and regions of Canada are given the opportunity to participate regardless of economic or geographic circumstances. All chosen musicians are awarded a scholarship that covers the costs of the NYOC training session.

[Translation]

Any one of those students would say that, under the tutelage of experienced faculty members from across Canada, they made

more progress toward their goal of playing with a major orchestra in eight weeks of NYOC training than in a whole year of study in a conventional institution.

The concert I attended was conducted by young maestro Jacques Lacombe. His enthusiasm was matched only by his skill. The smiles of the young musicians, whether soloists or members of the orchestra, made it clear that, no matter where they hailed from across this great land, they had learned something important about themselves. In the end, they all shared the same great joy and hope: these young men and women love music and they want to dedicate their lives to it.

Next year, the National Youth Orchestra of Canada will be celebrating its fiftieth anniversary. They are all getting ready for a very special season. It is up to us to help make that happen for them. Let us join forces with the Government of Canada and all those who are helping to raise the funds needed to provide this training. Let us discover them, hear them play and encourage them. If anyone deserves it, these young people do.

[English]

CHICKASAW NATION

Hon. Rod A.A. Zimmer: Honourable senators, I rise today to inform you of the Chickasaw Nation, a Native American tribe that extends over 13 Oklahoma counties. The Chickasaw Nation strives to build a strong and stable economy and a self-sufficient community for the Chickasaw people by generating funds to its Commerce Division to provide services and programs to the Chickasaw communities, families, youth and elders. Its slogan, "United We Thrive," describes the mission of the Chickasaw Nation.

One of the top priorities of the Chickasaw Nation is to preserve and share the heritage of the Chickasaw history, language and culture, which has been passed down from generation to generation through storytelling. The nation organizes programs designed to continue the process with the youth and elders of the tribe. Chickasaw people have always valued their communities and families and the Chickasaw Nation preserves this value by providing programs and services that benefit Chickasaw families, children, youth and, of course, elders, whom they consider living treasures.

The Governor of the Chickasaw Nation, Bill Anoatubby, has initiated an unprecedented effort focused on the potential of Chickasaw youth — the tribe's most valuable resource — as a means of preserving the tribe's culture and securing its future success. This is being done through a multitude of services and programs focused on youth, in addition to upholding education as a top priority within the nation.

Honourable senators, the Chickasaw Nation also offers the Chickasaw people health services that promote healing and wellness, in addition to various legal services for its citizens. The

legal department is concerned in particular with keeping juveniles out of trouble by offering programs that work to educate and protect Chickasaw youths.

The nation's Commerce Division owns and operates 58 commercial businesses with 10,000 employees. These businesses include 17 casinos, two of which are Oklahoma's largest casinos — Riverwind and WinStar. The WinStar World Casino is one of the five largest casinos in the world. In addition, it also owns and operates hotels, restaurants, retail travel plazas, tobacco stores, a family entertainment centre, a chocolate factory, radio stations and a newspaper.

• (1410)

The core competency of the Commerce Division is the gaming industry and, despite the current economic crisis, the gaming industry in Oklahoma is going strong. Oklahoma is one of only eight states to see double-digit growth in tribal gaming revenue in 2007. Tribal gaming in Oklahoma generated nearly \$2.5 billion in revenue in 2007, ranking behind only California and Connecticut.

Net income from the Commerce Division, and in particular Chickasaw Nation casinos, provides the Chickasaw people with the opportunity to receive vital and essential services, including health care, aging, youth and family, educational and transportation services. Such revenues offer the nation the opportunity to invest in yet other businesses and industries that together will create stable, quality jobs and a successful and self-sufficient community of Chickasaw peoples for years to come.

WORLD CANCER DAY

Hon. Fred J. Dickson: Honourable senators, February 4 is World Cancer Day — a time not only to raise awareness about cancer, but also to encourage people to learn about how this disease can be prevented, detected and, of course, treated. There is much we can do. The focus this year is on encouraging an energy-balanced lifestyle based on a healthy diet and physical activity.

An estimated 166,000 new cases of cancer were diagnosed in Canada last year and almost 74,000 people died of this disease. In Nova Scotia alone, my home province, there were approximately 5,800 new cases and over 2,600 deaths. It is estimated that one out of every four Canadians will die from this scourge.

Although cancer affects men and women differently, the leading cause of cancer deaths remains lung cancer, followed closely by colorectal cancer. The numbers are staggering. Behind each statistic is a person who is living with a diagnosis. Surrounding him or her are family and friends, all of whom are deeply affected.

Honourable senators, there is much we can do to fight this devastating disease. The Canadian Cancer Society reminds us that at least half of all cancers can be prevented. Key lifestyle steps that can be taken to prevent this disease include not smoking, eating well, exercising and being sensible about exposure to the sun.

Screening is crucial. Early detection of cancer can lead to successful treatment in most cases. We need to recognize the risk factors for certain cancers, in particular, whether it has occurred in one's family history.

[Senator Zimmer]

I would also like to mention the Canadian Partnership Against Cancer, established by our government in November 2006 to implement the Canadian Strategy for Cancer Control. This strategy, developed by over 700 experts in this field, as well as survivors, is focused on managing the full cancer control continuum.

Honourable senators, no doubt we have all been touched by cancer in some way. This World Cancer Day, I hope we will reflect on what we can do to prevent this disease and how to respond effectively in the event of diagnosis.

THE 100 MILE JOURNEY

Hon. Lillian Eva Dyck: Honourable senators, how a country remembers its past shapes its future. As proud Canadians, we must remember our past, our history and our heroes. Telling our stories of great accomplishments instills pride.

Honourable senators, today I wish to share an amazing story about Billy Loutit, a Metis mail runner and his great-granddaughter Shannon. Their story exemplifies the strength, bravery and accomplishments of Metis people.

On July 18, 2008, along with my colleague the Honourable Grant Mitchell, who is also a Liberal senator —

Some Hon. Senators: Hear, hear!

Senator Dyck: Good, you got my joke there.

Senator Mitchell and I participated in the opening ceremony for the 100 Mile Journey — To Bring a Hero's Spirit Home at the Edmonton legislative grounds. The purpose of this special event was to commemorate and honour Billy Loutit.

• (1415)

He spent many of his childhood years learning from the land surrounding his home community, Fort Chipewyan, Alberta. He became an accomplished hunter, trapper and riverboat man.

In Athabasca's 1904 flood, Billy Loutit ran from Athabasca to Fort Edmonton with an important emergency message. He ran the 100 miles in a mere 16 hours, one hour quicker than another messenger sent on horseback.

One hundred years later, in 2004, Shannon Loutit learned about her great-grandfather Billy's 100-mile run. She was so inspired that she literally gave up smoking, got off the couch and began to run. She completed the Boston Marathon and decided to retrace Billy's historic 100-mile journey of 1904.

On July 18 of last year, Shannon Loutit, who lives in Saskatoon, ran from Edmonton to Athabasca in just over 24 hours to pay tribute to her great-grandfather Billy, the Metis legend.

Honourable senators, I commend Shannon Loutit for her endurance, her determination and her devotion in running to honour the spirits of our ancestors, our heroes and our history. Shannon is documenting her awe-inspiring 100-mile run in a film and in a book.

Honourable senators, at the opening ceremony for Shannon's 100-mile journey, Kim Ciampanelli, a Hudson's Bay Company representative, said:

Billy's life is representative of all the First Nations and Metis people, without whom our company could not have functioned nor prospered. By honouring him, we honour them as well.

Her comments are important as this was the first time the Hudson's Bay Company had so clearly and publicly acknowledged the key role that Aboriginal people played in the success of that company.

CANADA-UNITED STATES TRADE

Hon. Jeremiah S. Grafstein: Honourable senators, last week, by happenstance, I attended in Washington on the same day that the stimulus package, which was replete with protectionist provisions, hit the floor of the United States Senate.

It is important for all honourable senators to understand that the protectionist sentiment in the United States does not come from the President of the United States but from Congress where these feelings run deeply. The protectionist sentiment is an important priority for the Canada-U.S. Interparliamentary Group and all other senators who wish to participate in this effort to convince our American colleagues in the House of Representatives and in the Senate that protectionism is a backward street that leads to deflation and lack of growth. Free trade and freer trade is the pathway to prosperity and growth.

This issue is important at this time. I urge all honourable senators to use their contacts and relationships with congressmen and senators to make the argument that the path to protectionism is a dead-end street. This issue is current and pressing, and the protectionist sentiments have not disappeared.

Yesterday, delightfully, President Obama encouraged his senators to dilute the protectionist elements in the stimulus bill. Why is President Obama's encouragement important to us? It is important because the stimulus bill in the United States is as important to Canada as our own action plan. Fifty per cent of the demand in Canada for our goods and products comes from the United States. We have a vested interest in ensuring that the stimulus package works as well in the United States as our stimulus package does here.

I urge all honourable senators to undertake to visit the United States. We have travel points; we are able to travel. Any connection, any relationship is important. Each senator and each congressman is as important as the President of the United States. Go to it, honourable senators. It is hard work. I hope that honourable senators will participate in this important activity.

[Translation]

LE REGROUPEMENT DES GENS D'AFFAIRES DE LA CAPITALE NATIONALE

Hon. Marie-P. Poulin: Honourable senators, I would like to draw the attention of the Senate to a major milestone reached by an Ottawa organization that, for the past quarter century, has been encouraging the entrepreneurial spirit among the region's francophone population.

Twenty-five years ago, I had the privilege of being one of the first administrators of the Regroupement des gens d'affaires de la Capitale nationale, the RGA. Yes, honourable senators, we decided to create an association dedicated to networking.

• (1420)

At the time, it was the first coalition of francophone businesspeople in Ontario. From its humble beginnings, the organization expanded rapidly. At present, the RGA brings together some 600 businesspeople, men and women, from both sides of the Ottawa River, who exchange a wide range of goods and services, including everything from legal and financial advice to construction services and car purchases.

[English]

Honourable senators, the RGA takes a leading role in the economic and social spheres of the capital region. The website at www.rga.ca provides an online membership list along with an assortment of activities, including the yearly recognition of leading entrepreneurs and executives.

I extend my congratulations to the members of this unique organization, the RGA, on its anniversary.

ROUTINE PROCEEDINGS

FINANCIAL ADMINISTRATION ACT

BILL TO AMEND—FIRST READING

Hon. Lowell Murray presented Bill S-221, An Act to amend the Financial Administration Act (borrowing of money).

(Bill read first time.)

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

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

INTERNATIONAL BOUNDARY WATERS TREATY ACT

BILL TO AMEND—FIRST READING

Hon. Lowell Murray presented Bill S-222, An Act to amend the International Boundary Waters Treaty Act (bulk water removal).

(Bill read first time.)

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

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

VICTIMS OF HUMAN TRAFFICKING PROTECTION BILL

FIRST READING

Hon. Gerard A. Phalen presented Bill S-223, An Act to amend the Immigration and Refugee Protection Act and to enact certain other measures in order to provide assistance and protection to victims of human trafficking.

(Bill read first time.)

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

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

• (1425)

CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

COUNCIL OF STATE GOVERNMENTS, SOUTHERN
LEGISLATIVE CONFERENCE, ANNUAL MEETING,
JULY 11-15, 2008—REPORT TABLED

Hon. Jeremiah S. Grafstein: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation to the Council of State Governments, Southern Legislative Conference, 2008 Annual Meeting, held in Oklahoma City, Oklahoma, United States of America, from July 11 to 15, 2008.

COUNCIL OF STATE GOVERNMENTS, EASTERN
REGIONAL CONFERENCE, ANNUAL MEETING,
AUGUST 10-13, 2008—REPORT TABLED

Hon. Jeremiah S. Grafstein: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation to the Council of State Governments, Eastern Regional Conference, Forty-eighth Annual Meeting, held in Atlantic City, New Jersey, United States of America, from August 10 to 13, 2008.

DEMOCRATIC NATIONAL CONVENTION,
AUGUST 24-28, 2008—REPORT TABLED

Hon. Jeremiah S. Grafstein: Honourable senators, I have the honour to table, in both official languages, the report of the Canadian delegation to the Democratic National Convention, held in Denver, Colorado, United States of America, from August 24 to 28, 2008.

REPUBLICAN NATIONAL CONVENTION,
AUGUST 31-SEPTEMBER 4, 2008—REPORT TABLED

Hon. Jeremiah S. Grafstein: Honourable senators, I have the honour to table, in both official languages, the report of the

Canadian delegation to the Republican National Convention, held in Minneapolis, Minnesota, United States of America, from August 31 to September 4, 2008.

[Translation]

PAY EQUITY

NOTICE OF INQUIRY

Hon. Grant Mitchell: Honourable senators, I give notice that two days hence:

I will call the attention of the Senate to the proposed change in pay equity legislation that is contained in the most recent budget.

[English]

QUESTION PERIOD

FINANCE

BUDGET 2009—REMARKS OF HONOURABLE SENATOR

Hon. Joan Cook: Honourable senators, my question is for the Leader of the Government in the Senate. Does the leader condone and associate herself with the remark made by her colleague Senator Duffy in his maiden speech yesterday regarding Premiers Williams and Ghiz?

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): Honourable senators, it is a pleasure to take a question from Senator Cook. I have not studied Senator Duffy's maiden speech in the Senate. Senator Duffy is free, as are all senators, to speak his mind and to speak freely in this place. It is not a matter for the Leader of the Government in the Senate to judge the contents of any senator's speech.

Senator Cook: With the indulgence of honourable senators, I wish to read part of Senator Duffy's speech from yesterday. On page 73 of the *Debates of the Senate*, Senator Duffy states:

Honourable senators, I was disappointed to see that our dynamic young Premier in Prince Edward Island, Robert Ghiz, has climbed into bed with the Premier of Newfoundland and Labrador, and honourable senators know what a grotesque scene that is. Do honourable senators know what happens when two politicians climb into bed together? One of them comes out on top and I am afraid that when one is in bed with Danny Williams he will come out on top and I would hate to see where that will leave P.E.I. in the end. However, I will leave all that for another day.

Hon. Lillian Eva Dyck: Honourable senators, I heard the Honourable Leader of the Government in the Senate say that it was not up to us to look at what senators were saying and that we had freedom of speech. Would the minister not say that within

this chamber there is an appropriate standard of speech which we must uphold and that we should set a high standard? Does she agree with that?

Senator Stratton: I will remember that.

Senator LeBreton: I thank the honourable senator for the supplementary question. I do not think it is within my area of responsibility to adjudicate or judge the speeches of individual senators. That is a role for the Speaker, not for the Leader of the Government in the Senate.

• (1430)

EQUALIZATION PROGRAM

Hon. Elizabeth Hubley: Honourable senators, soon after taking office, Prime Minister Harper stated the goal of establishing a new relationship with the provinces, a new era of federalism, a relationship that is open, honest and respectful. However, Prime Minister Harper and his ministers have been aggressively confrontational, insulting and divisive toward provincial governments.

Can this government claim to be open, honest and respectful when they unilaterally cap equalization payments with absolutely no consultation with the provinces during one of the worst economic storms in living memory?

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): Honourable senators, I believe by and large that most members of the government have been very respectful of various provincial governments and their provincial counterparts, but in politics, as is often the case, this is a two-way street.

As we face this world economic crisis, there have been tremendously cooperative meetings concerning the economic conditions of the country. Productive meetings between the Minister of Finance and his counterparts in the provinces and territories and, indeed, between the Prime Minister and the provincial and territorial premiers were held in mid-January. There were frank, open and honest discussions about the challenges all governments face. Generally, each and every premier who came to the microphone was very positive about the deliberations.

Regarding the issue of equalization, the government is committed to treating all provinces equally. We did restore fiscal balance through long term and fair transfer supports. As is always the case in a federation, there are differences of opinion from time to time, but that is the nature of our federation.

Senator Hubley: Honourable senators, when Prime Minister Harper unilaterally capped equalization payments, he surely secured projections from the Department of Finance to assess the financial impact this decision would have on each of the provinces. I ask the Leader of the Government in the Senate to table this information in the Senate and to advise the Senate as to when the Prime Minister will meet with the premiers face to face to hear first-hand the financial difficulties this decision is placing on them, or are we seeing the latest example in a pattern of behaviour — secrecy, unilateralism and exclusion?

Senator LeBreton: I think the honourable senator is more properly describing the actions of the previous Liberal government, which denied the existence of a fiscal imbalance and slashed transfer payments to the provinces and territories. In addition, in the efforts of the Liberals to deal with the deficit in the mid-1990s, they took out their measures completely on the backs of the provinces and territories in terms of cutting social and health transfers.

For the record, federal support has reached historic levels, at \$54 billion —

Some Hon. Senators: Oh, oh.

The Hon. the Speaker: Honourable senators, the chair is having difficulty hearing the response of the Leader of the Government in the Senate.

Senator LeBreton: Federal support has reached historic levels of \$54 billion and will continue to grow every year. We are protecting the transfer payments. Health transfers will continue to grow year by year, and they will grow by 6 per cent. Social transfers will continue to grow by 3 per cent. Equalization has grown 56 per cent since 2003-04, or, if one is a mathematician, 15 per cent annually.

• (1435)

Such growth is clearly unsustainable at the moment because of the current economic conditions. The Minister of Finance met with his provincial and territorial counterparts on November 3, 2008. During that meeting, the minister discussed the changes to equalization. The minister met with his counterparts much earlier than usual because he wanted them to have the information to project their own budget figures properly.

Hon. James S. Cowan (Leader of the Opposition): Honourable senators, does the minister not understand that the question is not whether the Prime Minister has some notion of what is fair for equalization across the country? The question is, why does the government repeatedly and unilaterally break signed multi-year commitments that it has made with one or more of the provinces. That is the issue. It is not what Mr. Harper's vision of fairness is in this country.

Senator LeBreton: Honourable senators, I dispute the claim that the Prime Minister has broken his word. In the *National Post* today, there is a very good explanation of how the complex system of equalization works. No province is receiving less money from the federal government as a result of these difficult economic conditions.

Senator Cowan is obviously referring to Newfoundland and Labrador. That province will get \$1.2 billion in offset payments in addition to the \$2 billion it has already received.

[Translation]

CHILD CARE

Hon. Lucie Pépin: Honourable senators, my question is for the Leader of the Government in the Senate. There is nothing new in the budget for child care facilities. The honourable leader is going to tell us that parents already receive \$1,200, so they can make

their own choices. She will also tell us that her government provides \$250 million every year to the provinces and territories and that companies receive a tax credit to help create child care spaces in the workplace. These measures just do not work.

Does the Leader of the Government in the Senate realize that the majority of parents want the government to play a leading national role in the matter of child care and to help create new, affordable, good-quality public child care spaces?

[English]

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): As the honourable senator is aware, the government transfers \$250 million per year to the provinces for child care spaces. The provinces have informed the Minister of Human Resources and Skills Development that with this money they are creating 60,000 new child care spaces across the country.

[Translation]

Senator Pépin: Almost two thirds of working women earn minimum wage. They are more vulnerable to and deeply affected by the economic crisis. Reliable child care services would enable women to be much more competitive in the labour market. Yet, there is nothing in the economic action plan; the budget is silent on this option.

Can the honourable leader tell us why the government does not consider increased federal funding for child care to be a valid economic stimulus measure?

[English]

Senator LeBreton: Honourable senators, in addition to the \$250 million, the provinces receive \$850 million through the Canada Social Transfer for early childhood development and early learning and child care, for a total of \$1.1 billion this year.

Since July 2006, we have provided \$2.4 billion a year directly to parents of two million children under the age of six through the Universal Child Care Benefit. This helps parents make choices in child care. However, I once again point out the important figures of the \$250 million transferred per year to the provinces for child care spaces and the \$850 million transferred through the Canada Social Transfer.

• (1440)

Hon. Lorna Milne: Honourable senators, in spite of what the Leader of the Government in the Senate has just told us, it was announced at noon today that 6,000 child care spaces in Toronto are closing.

Some Hon. Senators: Shame.

Senator Milne: Six thousand spaces in one city. Therefore, I ask the honourable leader, since Minister Flaherty has said yes to 109 other groups in formulating his budget, why did he say no to improved child daycare access? What do we say to these 6,000 families?

Senator LeBreton: Honourable senators, one person to whom the Minister of Finance did not say no was the Premier of Ontario, Mr. Dalton McGuinty. As I stated in my earlier answer,

[Senator Pépin]

significant funds have been transferred to the provinces for child care spaces. It would be better to address this question to Senator Milne's colleagues in the Liberal government at Queen's Park.

SOCIAL HOUSING

Hon. Catherine S. Callbeck: Honourable senators, my question is to the Leader of the Government in the Senate. While I welcome the housing initiatives that are in the budget, there is absolutely nothing there for the people who need it the most. These are the people who are on the waiting lists at the Canada Mortgage and Housing Corporation for the Residential Rehabilitation Assistance Program and for the Emergency Repair Program. The wait times are unacceptable in a country that is as wealthy as Canada. Can the leader explain why the government has not increased the funding to these programs and ignored the very people who need assistance the most?

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): Honourable senators, it is clear that the budget set aside significant funds for social housing.

With regard to the honourable senator's specific question in relation to people on a waiting list, this is a serious issue, as all honourable senators know. It is a complex matter between the provinces, territories and the federal government. Additional money was set aside in the budget for social housing.

I would be very happy, honourable senators, to try to provide any material or background on how the figures were arrived at during the federal government's consultations with the provinces and territories.

Senator Callbeck: Additional money was not outlined in the budget for these programs, and the wait times for these housing programs are unbelievable. In my home province, the waiting list for the Homeowner Residential Rehabilitation Assistance Program, or RRAP, is six to seven years; for the Emergency Repair Program, it is two years.

Imagine for a moment that your furnace breaks down in the winter. You go to the office and are told that you will have to wait for two years before they can even think of providing any assistance.

Does the honourable leader believe that this two-year waiting period for emergency assistance is acceptable, and will she speak to the minister in support of additional funding for this program so that people who need it the most can get some help?

Senator LeBreton: Honourable senators, these are very complex questions. Certain aspects of the problem are difficult to zero in on, especially since I am not entirely certain what the honourable senator is referring to.

As part of our Economic Action Plan, we are providing a one-time federal investment of \$1 billion over two years for renovation and energy retrofits for up to 200,000 social housing units on a 50-50 cost-share basis with the provinces. As I said earlier, this is something that the federal government, provinces and territories must work with.

• (1445)

We are also dedicating \$400 million over two years for the construction of housing units for low-income seniors and \$75 million over two years for the construction of housing units for persons with disabilities. We are supporting housing in the North with an additional \$200 million over two years. A temporary Home Renovation Tax Credit will provide up to \$1,350 in tax relief and reduce the costs of renovations for an estimated 4.6 million Canadian families.

I should point out to Senator Callbeck that our first budget invested \$1.4 billion in three housing trusts, and our second budget invested \$300 million in developing housing markets for First Nations communities. Budget 2008 committed \$110 million for the Canadian Mental Health Commission, headed up by our former colleague Michael Kirby, to develop innovative demonstration projects to help Canadians facing mental health and homelessness issues.

It is rather unfair for the honourable senator to leave the impression that the Conservative government is not cognizant of this very serious issue and that we have not taken major steps to correct this troubling situation.

Senator Callbeck: With all due respect to the minister, she has not answered my question.

The minister indicates that she is not familiar with the programs. I am referring to the Residential Rehabilitation Assistance Program and the Emergency Repair Program.

I will ask the minister again whether she will speak to the minister in support of increased funding for these much-needed renovation programs.

Senator LeBreton: Honourable senators, I appreciate the honourable senator clarifying the programs to which she refers. I will take the question as notice and provide Senator Callbeck with any available information on this particular program.

INDUSTRY

NATIONAL DO NOT CALL LIST

Hon. Percy E. Downe: Honourable senators, my question is for the Leader of the Government in the Senate.

The government announced with great fanfare its National Do Not Call List, which was to protect Canadians from annoying and unwanted calls from telemarketers. Certain seniors who have registered their phone numbers advise me they are now receiving more calls than ever before. The government sells the phone numbers registered on the list online for \$55, allowing telemarketers and scam artists to access the very phone numbers that the list intends to protect.

Honourable senators, what is the government doing to rectify this problem, and how soon will seniors and other Canadians stop receiving these unwanted telephone calls?

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): Honourable senators, I thank Senator Downe for the question. This is a matter of great concern to all of us, including many on this side of the house.

As honourable senators know, Minister Clement recently addressed this serious matter. The Canadian Radio-television and Telecommunications Commission is now involved. Obviously, this is a situation that is not acceptable. I will be happy to get an update from my colleague Minister Clement on what the next steps will be in order to address this very annoying problem. Telemarketers always seem to call just when the pot is boiling over on the stove. I will obtain that information.

Senator Downe: The fines for abusing the National Do Not Call List can be as high as \$15,000 for a corporation and \$1,500 for an individual. If the government is so concerned about the issue, why has the government not issued any fines?

Senator LeBreton: Honourable senators, this is a problem that all governments have wrestled with. Senator Downe will know this as well because he was the Chief of Staff in the Prime Minister's Office prior to coming into the Senate.

I cannot specifically answer the honourable senator's question in regard to the fines, but I will be happy to speak to Minister Clement and obtain information as to what has happened and what he proposes to do about this matter.

• (1450)

Hon. Terry M. Mercer: Honourable senators, while the Leader of the Government in the Senate is talking to the minister, a large segment of the Canadian population who work for organizations who legitimately use telemarketing would greatly appreciate it if she could raise their concerns. These organizations are mainly charities that are exempt from the Do Not Call List.

If honourable senators check the debates of the Industry Committee in the other place, prior to the passing of the bill that established the Do Not Call List, the specific intent of the members in the other place and of this place was that charities would be exempt. However, now the CRTC and other government agencies are trying to impose fees on those very charities that legislators, in the House of Commons and in the Senate, have specifically said are to be exempt. They are now imposing levies through the back door as they could not do so through the front door.

Therefore, will the Leader of the Government in the Senate raise those concerns as well? I would be grateful if she would.

Senator LeBreton: The Do Not Call List is administered by the CRTC. As honourable senators know, I am involved with a major charity that heavily relies on telemarketing for its funds. I am happy to add that item to my list of things to mention when I speak to Minister Clement.

HUMAN RESOURCES AND SKILLS DEVELOPMENT

EMPLOYMENT INSURANCE

Hon. Lorna Milne: Honourable senators, unfortunately, when Human Resources Minister Diane Finley recently said that this Conservative government has no interest in increasing Employment Insurance payments to make it lucrative for

workers to sit around the house, she was echoing what the Prime Minister said when he visited the Maritimes. He said: "There is a dependence in the region that breeds a culture of defeatism."

What answer would the Leader of the Government in the Senate give to the mother in my own city of Brampton who lost her job after the company for which she had worked 22 years closed its doors? This mother wrote:

I thought — when I was let go and the company was closing its doors — I would be able to apply for EI. I have just learned the wait period is for two weeks and then there is a massive backlog of another three weeks. Now, almost four weeks later, I am without pay and I really do not know where to turn. I actually do not know where I will be able to buy the next carton of milk for my baby.

What answer does Senator LeBreton's government have for that mother and her baby? I can assure honourable senators that this mother is not feeling the lucrative effects of EI and she is not sitting around the house.

Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)): Honourable senators, obviously, no one takes any joy from anyone losing a job or in fear of losing a job. This government has extended the period that Employment Insurance benefits are paid as the honourable senator knows. The difficulty for people who are unemployed is the two-week waiting period before they can apply for EI. We have embarked on an incredibly innovative and aggressive program within the EI system to assist, through retraining, workers who have lost jobs so that they will receive pay while they are in their retraining program and can return to the labour force as quickly as possible in jobs that have more sustainability.

However, the individual case that Senator Milne described is obviously a troubling situation. Regardless, the Employment Insurance fund is designed to help people such as this individual. Hopefully, the new measures that will be brought in will allow this young woman to enter a retraining program where she will learn skills to find a job that is more durable.

• (1455)

With regard to individual cases, I would suggest to Senator Milne that a personal letter of explanation to the minister would bring the case directly to the minister's attention.

Senator Milne: I thank the minister very much for that suggestion, and I will see to it that such a letter is passed on to the minister in question.

I note that, according to Statistics Canada, in 2006, the median rental costs in the riding of the minister were approximately \$700 per month. In Brampton, the figure was \$950 per month. Since the maximum Employment Insurance benefit payment to an individual is \$447 per week, I have difficulty understanding how sitting around the house could be lucrative for workers, even in the minister's riding, let alone in my area. Will the Leader of the Government in the Senate undertake to encourage the Minister of Human Resources and Skills Development to apologize to her own constituents and to all Canadians for her flippant and insulting remark?

[Senator Milne]

Senator LeBreton: Honourable senators, as I said in my first answer, there is no joy on anyone's part when someone loses a job or is in fear of losing a job. The government is taking a number of aggressive steps to deal with people who, through no fault of their own, become unemployed. That is why extra time was added to the eligibility period and why there is an aggressive retraining component.

As well, the two-week waiting period was reviewed during the budget consultation. When someone becomes unemployed and makes application, it takes government officials two weeks to verify the information, open a file and send a cheque out the door.

Honourable senators, the minister takes the file seriously and has been a tremendous advocate on behalf of those who are unemployed, in particular with regard to retraining.

THE SENATE

WELCOME TO NEW PAGE

The Hon. the Speaker: Honourable senators, before proceeding to Orders of the Day, I am pleased to introduce a new Senate page who will be working with us this year.

[Translation]

Mélanie Chartrand is a Franco-Ontarian, originally from Orléans, Ontario. She discovered her interest in Canadian political history while working as a guide at Parliament and at Rideau Hall for several years. This year, she is completing an honours B.A. in social sciences with a major in political science and a minor in history at the University of Ottawa.

[English]

POINT OF ORDER

Hon. Claudette Tardif (Deputy Leader of the Opposition): Your Honour, I rise on a point of order. Having reviewed the transcripts from yesterday, I discovered that Senator Duffy made certain comments during his speech on the budget inquiry that were extremely offensive.

Your Honour, citation 321 of *Beauchesne's Parliamentary Rules & Forms*, 6th Edition, at page 97, states:

A point of order against procedure must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

Although I recognize that this incident happened yesterday, I believe it is in order to deal with it now since honourable senators have had the opportunity to review the audio recording as well as yesterday's *Debates of the Senate*.

I will not repeat the comments in question because they were just read out by my honourable colleague Senator Cook during Question Period. I will say that these comments were not only

distasteful but also clearly out of order. These kinds of comments should never be taken lightly and are in clear violation of rule 51 of the *Rules of the Senate*, which states:

All personal, sharp or taxing speeches are forbidden.

This rule is not new; in fact, it has existed since Confederation.

• (1500)

These comments are sexist; they are offensive to senators; they are offensive to the citizens of Newfoundland and Labrador; and they are offensive to Canadians.

I do not want to limit any senator's right to speak freely in this place; however, it is paramount that we maintain the utmost respect for one another in our exchanges and that only healthy and orderly debate derives from our deliberations.

There have been several rulings from the Speaker in the past dealing with unparliamentary language. I wish to cite a ruling on this subject from 2004:

This is not to deny the right of all Senators to a vigorous debate with contending views and exchanges strongly expressed. Rather, it is an admonition to avoid rancour and bitterness that are clearly counterproductive to the healthy exercise of free expression.

Honourable senators, I have every confidence that Senator Duffy did not intend to offend any member of this place, nor did he intend to offend the people of Newfoundland and Labrador. Therefore, pursuant to rule 53(2), I ask that Senator Duffy retract his remarks immediately and apologize, not only to the members of the Senate but also to all Canadians.

The Hon. the Speaker: Honourable senators, if there is no further comment on the point of order that has been raised, for a number of reasons, I will take the matter under advisement. One likes to reflect on such matters; therefore, I thank the honourable senator for raising the matter and the Speaker will examine and report back shortly.

[Translation]

ORDERS OF THE DAY

BUDGET 2009

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Comeau, calling the attention of the Senate to the budget entitled *Canada's Economic Action Plan* tabled in the House of Commons on January 27, 2009, by the Minister of Finance, the Honourable James M. Flaherty, P.C., MP, and in the Senate on January 28, 2009.

Hon. Michel Rivard: Honourable senators, first, I would like to sincerely thank all the honourable senators for their warm welcome. I am certain that the other 17 new senators also feel the

same way. Sitting in the Senate is a great privilege and I must thank the Prime Minister, the Right Honourable Stephen Harper, for his confidence.

I am very pleased to be taking part in the debate on the 2009 budget, the most complete and pro-active Canadian budget in decades. I am speaking about Canada's Economic Action Plan, of course, which will stimulate the economy, protect Canadians during the global recession and create investment in our long-term growth.

This is an ambitious plan, which matches the scope of our economic situation. My speech today will touch on the aspects of the economic action plan that deal with knowledge, innovation and training.

I would like to take this opportunity to say a few words about the process we went through to ensure that our plan responds to the needs and concerns of all Canadians.

In order for Canada's economic action plan to meet this essential goal, the government carried out unprecedented consultations. We met with Canadians from all social strata and we discussed a myriad of issues. We listened to the opinions of private-sector economists, academics, business leaders and the thousands of Canadians who took part in online consultations.

In addition to the face-to-face meetings and the online consultations that we held, we received hundreds and hundreds of letters. We also benefited from sound advice provided by eminent Canadians who agreed to sit as founding members of the Economic Advisory Council.

A broad consensus emerged from our pre-budget consultations. Canadians believe the government must deliver a potent economic stimulus to help vulnerable people, encourage growth and restore confidence in our economy. That is exactly what we are going to do in Canada's economic action plan.

More than two years ago, the government made a commitment to give Canada the knowledge advantage and to create the best educated, most skilled and most flexible workforce in the world. Since then, we have made great progress toward meeting this goal.

Unfortunately, the global economic slowdown has hit many communities across Canada very hard. We need to help Canadians who are out of work find new jobs — good jobs — while increasing our investment in skills development.

Canada's economic action plan provides a whole series of initiatives in support of our commitment, especially for those hit hardest by the global recession.

Honourable senators, I would like to give you a few key examples of how Canada's economic action plan will provide new opportunities for short- and long-term skills upgrading.

A deepening global economic recession has begun to take its toll on workers, particularly those in some of the more vulnerable sectors that depend heavily on exports.

Canada's economic action plan addresses this situation with decisive action. The initiatives in the plan will not only help Canadians through a difficult economic period, but support

Canadian workers in developing the skills and expertise needed to take advantage of new opportunities once the economy recovers.

This comprehensive approach is the cornerstone of the Canada Skills and Transition Strategy. The strategy will provide a major financial injection of \$8.3 billion into a range of initiatives to help Canadians weather today's economic storm and provide them with the necessary training to prosper in tomorrow's economy.

The Canada Skills and Transition Strategy will help Canadian workers and their families through a three-pronged approach.

First, it will allocate \$1.9 billion to strengthen benefits that give workers more time to find the right job and get the training they need. These benefits will give companies using work-sharing arrangements more time to restructure and better position themselves to emerge from the economic downturn. They will also protect workers' wages and severance packages in the event of their employer's bankruptcy.

Second, the Canada Skills and Transition Strategy will spend \$1.9 billion to enhance the availability of training by providing unprecedented levels of short- and long-term skills upgrading opportunities for workers in all sectors of the Canadian economy, including investments in the long-term potential of under-represented groups such as seniors and Aboriginals.

• (1510)

Last, the strategy will spend \$4.5 billion to freeze employment insurance contribution rates for 2009 and 2010 so that Canadian employers and employees continue to benefit from one of the lowest payroll tax rates in the world.

Canada's youth employment strategy is the government's key program to help young people. The current labour market disruptions, however, may mean that it will be harder for many young Canadians to find a summer job.

To improve their prospects, Canada's economic action plan will provide two-year targeted funding of \$20 million delivered through the Canada summer jobs program to enable more employers in the not-for-profit sector to hire summer students.

To complement this support, the government will invest \$20 million in a targeted two-year program to enhance the federal public service student employment program.

In addition, the government will provide a one-time grant of \$15 million to the YMCA and YWCA to place youth in internships in not-for-profit and community services organizations, with a focus on environmental projects.

These measures will significantly assist young Canadians and provide them with both valuable work experience and earnings to help support their further education.

Older workers in vulnerable communities face their own challenges in finding employment, which is why Budget 2008 provided an additional \$90 million over three years to extend the Targeted Initiative for Older Workers until March 2012.

That initiative is a federal-provincial-territorial employment program that provides a range of employment activities for unemployed older workers and helps them stay in the workforce.

To better support these workers and their families, Canada's economic action plan is providing an additional \$60 million over three years.

The government will expand the scope of the program to include vulnerable cities with populations of less than 250,000, making assistance available to more older workers in a larger number of cities, particularly those heavily dependent upon a single sector or a single employer facing adjustments.

These changes will expand the number of eligible communities and ensure that older workers across the country have the support they need to adapt to a changing economy.

Changing demographics mean that the current shortages of skilled labour in certain parts of the country are expected to continue and potentially expand, presenting a challenge to maintaining productivity and economic growth.

The government has put in place key initiatives to begin addressing this challenge. The Apprenticeship Job Creation Tax Credit encourages employers to hire new apprentices and the Apprenticeship Incentive Grant encourages young people to pursue careers in one of the Red Seal skilled trades.

To build on these measures and further respond to skilled labour shortages, Canada's economic action plan is providing \$40 million a year to launch the Apprenticeship Completion Grant. Apprentices who complete their certification in any of the Red Seal skilled trades will be entitled to receive a taxable grant of \$2,000.

An essential part of Canada's training efforts is fostering partnerships with Aboriginal groups and the private and public sectors to ensure that Aboriginal Canadians get the skills and training they need to play a larger role in the labour market and to help them make the most of employment opportunities.

To continue to support this partnership-based approach, Canada's economic action plan will provide an additional \$200 million over three years to support Aboriginal skills development and training. This funding will enhance the Aboriginal Skills and Employment Partnership initiative and create a new fund.

Canada's economic action plan invests \$75 million in the new two-year Aboriginal Skills and Training Strategic Investment Fund. This will support short-term, focused initiatives designed to help Aboriginal Canadians get the specific training they require to benefit from employment opportunities.

Canada's ability to prosper in today's global, innovation-driven economy ultimately depends on the skills, knowledge and creativity of Canadians.

Canada's economic action plan builds on investments made in the 2007 and 2008 budgets by providing an additional \$87.5 million over three years, starting in 2009-10, to the federal granting councils. This funding will temporarily expand the Canada Graduate Scholarships program, which supports Canada's top graduate students.

Hon. Fernand Robichaud (The Hon. the Acting Speaker): I must inform the honourable senator that his time is up. Is there consent for five more minutes?

Some Hon. Senators: Agreed.

Senator Rivard: New investments have been allocated as follows: \$35 million a year to the Canadian Institutes of Health Research, the same amount to the Natural Sciences and Engineering Research Council of Canada and \$17.5 million a year to the Social Sciences and Humanities Research Council of Canada.

Canada's economic action plan also provides an additional \$3.5 million over two years to offer an additional 600 graduate internships in science and business, through the Industrial Research and Development Internship program launched in Budget 2007.

Canada was one of the first countries to implement a connectivity agenda geared toward facilitating Internet access to all of its citizens.

To this day, Canada remains one of the most connected nations in the world, with the highest broadband connection rate among the G7 countries. However, gaps in access to broadband remain, particularly in rural and remote communities.

The government is committed to closing the broadband gap in Canada by encouraging the private development of rural broadband infrastructure.

Canada's economic action plan provides \$225 million over three years to Industry Canada to develop and implement a strategy on extending broadband coverage to all currently unserved communities beginning in 2009-10.

• (1520)

Honourable senators, in order to finance Canada's economic action plan, our government has deliberately decided to create a substantial short-term deficit, but there will be no long-term or structural deficits. Canadians worked hard to eliminate them and do not want to do that again.

That is why Canada's economic action plan contains measures to emerge from the deficit and return to a surplus in five years.

As for those who might worry about the impact of increasing debt by incurring a temporary deficit, I would remind them that our government, headed by an economist, has succeeded in the past three budgets, despite a decrease in personal and business income taxes and two decreases in the GST rate, in putting an impressive \$40 billion towards the debt.

That is a promising indication of how Canada's debt will be managed when the economy rebounds to the level of these past few years.

In conclusion, in a world of increasing economic uncertainty, Canada is faced with serious challenges. Luckily, we are in a relatively good position to deal with these specific circumstances. Given the stimulation measures introduced by other governments,

we feel that the results of Canada's economic action plan will account for 1.9 per cent of real GDP by the end of 2010, which will have created or maintained nearly 190,000 jobs in Canada.

We will ensure that Canada is one of the first to emerge from this crisis and finds itself in a stronger position than before.

Budget 2009, Canada's economic action plan, gives us the vision and the means to reach this goal.

As has been the case since the current government came to power, careful management, targeted goals and good discipline will allow us to succeed in ensuring a better future for all Canadians.

(On motion of Senator Tardif, debate adjourned.)

[English]

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 Fortin-Duplessis, seconded by the Honourable Senator Gerstein:

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. Hector Daniel Lang: Honourable senators, one of the speakers yesterday talked about how he had butterflies when he stood up to speak, and I have to admit that I am somewhat in the same boat. In some ways, it is like once you have learned how to ride a bicycle, after a period of time you will get back into the swing of things — I hope.

Honourable senators, it was an honour and a privilege to be in this chamber to listen to the Speech from the Throne that made every effort to chart a course for Canada to deal with the global economic crisis that we face.

Since I am new to this chamber, I want to take a few minutes to introduce myself and my part of Canada to you, my fellow senators.

Having lived in the Yukon for 50 years — that is half a century when I think about it — it is safe to say that I am what they refer to in my part of the world as a sourdough. That means you have gone through the winter with enough firewood and made it, and then you have gone through another winter, so I guess I am there.

Our family has deep roots in the Yukon, and, like my good colleague Senator Duffy, I come from a political family. I do not think many people in this chamber could say that their mother used to read the Hansard of the House of Commons.

Senator Comeau: That will put you to sleep.

Senator Lang: I can guarantee that when my mother wrote Erik Nielsen, he paid attention to that letter and made damn sure that his response was accurate.

Over my adult life, I helped raise four wonderful children, served five consecutive terms in the Yukon Legislative Assembly, served for 11 of those years in various ministerial posts, worked in the real estate industry and volunteered in many not-for-profit organizations. Like my colleague Senator Wallace, I served on the board of governors of our local education institution, Yukon College. It was very fulfilling to be part of an institution that was moving ahead, and we made so many changes.

Like my fellow 17 incoming colleagues, I was very pleased to get the call from the Prime Minister and very pleased to accept. It is truly an honour when you are sitting in front of your fireplace one evening and you get a call from the Prime Minister of your country. I feel honoured to come back and help serve my country once again.

The day that I was sworn in to this chamber was very emotional for me, in part because I was coming to a chamber where my namesake and family member, Senator Dan Lang, served from 1964 to 1994.

Upon the public announcement of my appointment, one of the first congratulatory calls I received was from Senator Dan Lang's widow. I wish to convey to those senators who served with Senator Lang, Frances's best wishes.

Speaking of congratulatory calls, I am sure all 18 of us received calls that night and the following days as it became more public that we were to be appointed to this chamber. I want to bring one call that I will always remember to the attention of the house, and that was from Bonnie Brett. She phoned me to wish me well and then proceeded to ask if I could get an autograph from Senator Frank Mahovlich. It is nice to know that in the Yukon we have real hockey fans. They know what is going on in the Senate and they know what is important.

For those honourable senators in this house who have had the opportunity to visit Yukon, I believe you would agree that I am very fortunate to be able to represent one of the most beautiful regions of Canada. Yukon is far larger than the Maritimes. Many Canadians do not realize that it has a coastline up on the Beaufort Sea between Alaska and the Northwest Territories. The capital city, which is ever growing, is located farther west than the capital of British Columbia, Victoria, and we are only 120 kilometres away from tidewater at the Port of Skagway.

• (1530)

All our rural communities have the basic modern amenities and are interconnected by well maintained highways except for Old Crow, our most northerly community.

Our population is young, well-educated and, generally, physically fit. My colleague Senator Raine would be interested to know that Yukon sent two Olympians to the Beijing Olympics last year: Jeane Lassen for women's weightlifting and Zach Bell for cycling.

I would be remiss if I did not mention the world of politics, so I will refer to the history that Yukon has in that respect. Although our population might be small, we do bring good people to the chambers of Canada. For example, back in the 1930s, George Black was the Speaker for the House of Commons. Of course, many of you know the late Erik Nielsen, who was the Deputy Prime Minister of this country and a member of Parliament for many years. We also had as a member of Parliament Audrey McLaughlin, who was the leader of the NDP.

Twenty-five per cent of the population in the Yukon is of First Nation ancestry. Fifteen years ago, the federal government and the Government of Yukon entered into agreement with the First Nations of Yukon and concluded a comprehensive lands claims agreement with 11 of our 14 First Nations in the territory. We are moving ahead and working together, and it is a nice place to see what you can accomplish when you get people working together.

Over the past five years, our economy has grown with the resurgence of the mining industry. One mine is in production and a number of others are in the offing. It is interesting to note that one of the mines is privately funded by Chinese investors who are in the process of investing \$250 million. This infusion of offshore investment was the result of the Government of Yukon undertaking countless trade missions to China over the last five years. In conjunction with that, we have a viable gold placer mining industry as well as tourism — all playing a major part in our economy.

I would also be remiss if I did not mention our arts community. It is growing and becoming larger. We are proud of the people who participate in our cultural community in the Yukon.

Our Yukon has been a political jurisdiction since 1898, yet responsible government eluded us until 1970, when the first elected representatives took ministerial positions in the executive arm of government. Over time, Yukon evolved to party politics, and, since then, the legislature has taken increasing control over our social and economic identity.

It is interesting to note, honourable senators, that as Canadians experience the ebb and flow of the fortunes of the PQ in Quebec, Yukon is slowly but steadily taking steps to join Confederation. Who knows? We could be the eleventh province of Canada.

In representing my region of the country, I am looking forward to participating in the national debates on issues facing Canada, and, of course, those that directly affect our Yukon. I want to be a strong voice in Ottawa for the people of Yukon.

Yukon and Canada face a number of significant issues and the first one that comes to mind is the question of northern sovereignty. First, I commend our Prime Minister and his government for making and asserting Canada's authority in the Arctic over the past three or four years. It is long overdue.

One part of the issue of sovereignty in the Arctic is the current dispute between Alaska and Yukon concerning offshore boundary rights. This is an important issue for Canada, and it should be resolved. That file has been lingering for decades and, although the federal government has known about it, nothing has been done. Now is the time for the federal and Yukon governments to work together to resolve it, especially since we have a federal government that realizes the importance of the Arctic.

I also would like to draw the attention of honourable senators to the possibility of the construction of the Alaska Highway Pipeline. It was brought into the national spotlight during the last national election in the United States. In Yukon, we are fortunate that because of work that was done in the 1970s, the right of way for this pipeline has been set aside, and, if a decision is taken to proceed, it will bring huge long-term and short-term economic benefits for Canada.

I like to think that our government will do everything it can to promote this project with our American neighbours. I also believe that if a project of this size and magnitude were to proceed, it would do much to help resolve the country's current economic problems.

Another ongoing issue with our American friends is the protection of the migratory porcupine caribou herd in northern Yukon and Alaska. This herd is truly a wonder of the world. It is important that the two national governments, as well as Yukon and Alaska, keep measures in place to ensure this herd's survival.

Honourable senators, I have provided you with a positive overview of our region, but I must also state that we are not immune to the global economic crisis. If it continues much longer, it will have a negative effect on our mining and tourism industries.

The overriding issue that comes up in all the questions in both this house and the other place is the economic health of our country. The Yukon government, like its other provincial counterparts, has brought forward a significant capital budget in conjunction with the Government of Canada to help mitigate the effects of a financial downturn.

I would like to mention the relationship between the Government of Yukon and the Government of Canada. The Government of Yukon knows it is a give and take and that they have to work together. Consequently, agreements are signed and signed quickly, and we avoid much of the debate that goes on in other parts of the country. Other parts of the country might learn from that relationship.

The Hon. the Speaker: Honourable senators, I regret that the time for Senator Lang has expired. Will honourable senators agree to additional five minutes?

Hon. Senators: Agreed.

Senator Lang: Honourable senators, I am mindful that I arrived at an extraordinary time in the history of the world's economy and the economy of Canada. There could not have been a better time for the Minister of Finance to engage in the most intensive pre-budget consultations in our history. The Speech from the Throne reflects what the government learned from listening to Canadians and that it is very concerned about the future of our economy. I commend the Prime Minister and his government for having had the foresight to cut taxes last year and pay down the debt, allowing Canada to be in the best position among the members of the G8 countries to weather this crisis.

• (1540)

Honourable senators, it is also important to stress that the Speech from the Throne is a long-term framework for an economic plan for Canada to provide jobs and help Canadians in their time of need. I was pleased to see direct tax relief to the lower and middle income earners who have been hit hardest by this economic slowdown. I also think it is important, whether we are in this house or in the other place, that we be concerned about the size of the deficit. I am pleased to see the government looking ahead and planning, once we get through this economic crisis, to go toward a surplus.

In closing, honourable senators, I should like to bring to the attention of all honourable senators that Premier Dennis Fentie of Yukon will be in town this weekend, and we are hosting a Yukon Day reception on February 9. I would like to invite honourable senators to that function. Also, a cultural contingent will be performing on Saturday at Confederation Park and Jacques Cartier Park. I would like to see you there, if you have time.

Hon. Jim Munson: Honourable senators, before adjourning the debate, I would like to congratulate Senator Lang and show him how sensitive, impartial and good the Munsons are. The honourable senator has already been interviewed by my son James Munson of the *Yukon News*, a new Yukoner. I wanted to let Senator Lang know that James is close by, and hopefully he will be able to stay two winters and become a real Yukoner.

I know that the senator will follow in the great work of former Senator Ione Christensen, who taught me a lot. When I first arrived here five years ago, she was very good to me. My office was beside hers, in a cubicle on the fifth floor — where we all must start, I guess. She taught me a lot about the North, about civility and about this place. I am sure Senator Lang will follow in her footsteps and do a tremendous job for the Yukon.

(On motion of Senator Munson, debate adjourned.)

BUSINESS DEVELOPMENT BANK OF CANADA ACT

BILL TO AMEND—SECOND READING—
POINT OF ORDER—SPEAKER'S RULING RESERVED

Hon. Jeremiah S. Grafstein moved second reading of Bill S-203, An Act to amend the Business Development Bank of Canada Act (municipal infrastructure bonds) and to make a consequential amendment to another Act.

He said: Honourable senators, before commencing the discussion of this bill, I would like to commend Senator Lang for his opening statement. One of my first mentors in the Liberal Party was one of the greatest senators we have had in this chamber, and I was privileged to serve with him: The Honourable Daniel Aiken Lang, my senior and my mentor. If you are his namesake and half as good as he, you will make a huge contribution to this chamber. Welcome.

Honourable senators, with the current markets and the economy increasingly choppy and unpredictable, the time has come, once again, to confront a monumental economic and political task — a coherent rationale for urban infrastructure renewal and modernization of our cities.

Not since the end of World War II when the federal, provincial and municipal governments all recognized, each in their own way and in their own spheres, the pressing necessity to revamp and modernize our urban infrastructure, has the need been demonstrably greater. A recent, rather searing report from the Federation of Canadian Municipalities, entitled *Danger Ahead: The Coming Collapse of Canada's Municipal Infrastructure*, outlines the staggering cost estimates for decaying urban roads, transitways, waterworks, garbage incineration and better waste management across Canada, all in need of instant renovation and requiring reinvestment and modernization for our burgeoning cities.

As our cities grow, the nature of Canada's economic activity is changing. Services shaped, honed and polished in our cities are overtaking the older manufacturing jobs as growth factors in our economic growth. The aging city infrastructure, however, contributes to the loss of jobs, especially manufacturing jobs. In my city of Toronto and the GTA, the surrounding area, we have lost over 45,000 manufacturing jobs in recent years. We must reverse this slide in manufacturing value-added jobs not only in our cities but also across Canada.

If honourable senators are interested in the nature of national economies and their relationship to cities, read any recent book on economic history. I will mention a few: *The Rise of the Trading State: Commerce and Conquest in the Modern World*, by Richard Rosecrance; *The Age of Extremes: The Short Twentieth Century, 1914-1991* by the outstanding, rather leftist, economist Eric Hobsbawm; *The Wealth and Poverty of Nations*, by David Landes, to name a few. Or meander, if you will, through John Kenneth Galbraith's economic nostrums, and of course re-read Jane Jacobs' *Cities and the Wealth of Nations*. You will find common agreement in each of these books on economic growth.

Jane Jacobs, who lived in my city of Toronto and passed away recently, noted in her classic work, *Cities and the Wealth of Nations*, that our cities serve as both engines of growth and creativity. One cannot divorce the nation's economic growth from the economic growth of our cities. The two are attached like Siamese twins. Cities propel our economic growth in all regions of the country. Value-added products and services are tested and marketed in our cities. New cultural products are created and distributed from our city centres and exported around the world.

Regretfully, honourable senators, our cities are now clogging our productivity. Even in this economic downturn, the inefficiencies of our urban landscape contribute to even greater

lagging productivity, which is currently 15 per cent to 20 per cent less than our American counterparts, making our goods and services even less competitive in North America and in global markets.

The 2007 report of Ontario's Institute for Competitiveness and Prosperity compared our per capita GDP for workers to that of comparable states in the United States of America and showed that the range of productivity in the United States was higher by \$20,000 per worker in three states, \$14,000 per worker in 14 states, and \$1,000 per worker even in Michigan, which has suffered a devastating economic downturn.

Honourable senators will recall that the Standing Senate Committee on Banking, Trade and Commerce had findings of the impact of economic productivity on our competitiveness. I urge the new senators, in particular, to read those reports of the Banking Committee. They withstand the test of time.

Productivity depends on speed and cost effectiveness. Each time a Canadian travels to work or within our cities pursuing their work, they are met with gridlock and our productivity goes down. A study last year noted that Canadian workers now spend 10 days a year commuting to cities. In Toronto, it is higher. It is 12 days a year — a day a month — which is totally unacceptable. Certainly, working in any city in Canada today is less healthy because of increased pollution directly due to increasing traffic gridlocks and road jams.

Our expressways, honourable senators, are misnamed. Rather than expressways, they should be called — and this applies to all cities across Canada — “moving parking lots.” Traffic slowdown contributes to pollution from cars and trucks, new and old, forced to idle on our streets and highways. The increased costs to businesses and workers because of increased fuel consumption and lost time are measurable inefficiencies that we have allowed to inflate and fester within our cities.

That, honourable senators, does not take into account the cost of pollution on the health of workers or on our health budgets. As pollution rises in the city, the health hazards increase. That, in turn, is an increased cost and reduces our productivity, both in terms of loss of time and cost.

Residents of Canadian cities pay a higher percentage of real estate taxes for local services than do residents of comparable cities in the United States.

• (1550)

As Senator Art Eggleton, a distinguished former Mayor of Toronto, pointed out in the Senate last year, over 50 per cent of local revenue from our cities comes from real estate taxes compared to the United States, where it is about half as much, around 25 per cent. This year, that ratio may be higher.

Some of our cities have failed to keep up with capital investments and renovations and demand more by way of help from transfer points from the federal government. Let us see what that means. It means that the federal government raises the taxes and the cities spend it. This should raise in the minds of some honourable senators the question of responsible government and the question of responsible governance.

There are varying degrees of accountability in this method and questions about clarity and transparency for taxpayers in order that taxpayers can decide whether their money is properly spent. Yet, municipal governments now estimate that at least \$125 billion will be necessary to renovate old and decaying infrastructure, some 70 years old or more, such as Toronto's water system. A recent report of my own city of Toronto noted that the failure to renovate Toronto's water system or to keep up with modernization results in the loss of one third of the water due to old and leaky pipes. How efficient. Therefore, taxpayers and residents in Toronto pay 100 per cent for water but get delivery of only two thirds of that. Meanwhile, more and more people from rural areas continue to crowd into our cities. The urban-rural split is intensifying, not only in each city in Canada but also around the world.

Previous federal governments' response, and I am not just referring to the current government but — and I want to make it clear — previous governments, was an episodic series of handouts, and we see it today in our action plan, which I will come to in a moment. It is difficult to get these numbers and I hope they are correct. Honourable senators will forgive me if they are not correct, because I have been trying to divine the numbers that are being spent by this government and previous governments for urban infrastructure modernization. However, it is hard to get the actual cash-flow numbers.

The best we were able to judge was that the previous federal government planned to spend — and this was in the previous budget — \$33 million in episodic handouts for all cities of Canada for all purposes over seven years for fixing our trade arteries, gateways, borders, corridors and infrastructure. That works out to nearly \$1,000 per Canadian over seven years.

The government's current economic action plan is, I believe, roughly the same. I say roughly the same because I may be incorrect. Perhaps honourable senators on the government side can correct me, but, based on my estimates on the analysis of the action plan we have been addressing today, the government has committed roughly \$5 billion in the next year or so for urban infrastructure; but included in that are other elements not properly urban infrastructure, such as renovation to universities. It is hard to get the number, but for the purposes of the argument I will make it \$5 billion. I hope that when the government does respond they will clarify these numbers. I have been working on them for some time and they are difficult to obtain.

In the scheme of things, \$33 billion, or \$5 billion in the next two years, does not come very close to the \$125 billion estimated by municipal associations to be necessary for urban modernization. By the way, \$125 billion is only for current needs to repair existing systems. That is the estimate of the municipal associations. Stretching it out over 10 years, they need \$230 billion in the next 10 years. If one includes renovations not only for existing infrastructure projects but also for new and expanded infrastructure projects for growth, it is \$125 billion to \$230 billion. The federal government is promising \$33 billion over seven years — not nearly enough.

When confronted by the imperative choice of modernization or minginess after World War II, the federal government led with the building of the St. Lawrence Seaway and the Trans-Canada Highway, which were great objects of productivity. The

provinces built province-wide expressways to line up with the Trans-Canada Highway and new commuter links and subways were built to link up with and overlap our aging rail lines and rights-of-ways. In the 1950s, Canada was put on the right path, on a fast path, on a moving escalator toward modernization.

Some cities have done better than others in managing their scarce economic resources. Some cities have not been as profligate as others. Some have a high respect for each and every one of its taxpayers' dollars. These well-managed cities should be rewarded and not penalized for their effectiveness and efficiency.

What to do? We can learn from some best practices from our American neighbours. There are municipal tax-exempt bonds, which have become a significant building block in the foundation of urban renewal and modernization. If you want to know where they are or how to invest in them, pick up *The Wall Street Journal* or *The New York Times* and you will find them listed in detail.

Financing not otherwise available or affordable on urban projects with revenue streams such as mass transit, subways, waste management, drinking water systems, expressways and bridges, can be obtained from private market sources provided by individual investors in the United States. Studies in the United States show that for every \$1 of tax-exempt bonds, 67 cents goes for reinvestment in municipalities. The other 33 cents goes to the tax-exempt bondholder. Interest costs in the market vary, as they will for each project, and they vary as well based on the city's track record of cost-efficiency, management and construction management. It forces the cities to be responsible for costs. It forces the city to be accountable for cost overruns.

Recent reports in the U.S. press note that the U.S. municipal bonds have maintained value rivaling the market for U.S. T-bills, due to more attractive rates.

When I last introduced this bill in the previous Parliament, a colleague across the way asked a key question. I am prepared to answer it. Senator Murray asked a question about whether or not these municipal tax-free bonds would crowd out the public market. I will respond to that if he chooses to ask that question once again. It is more relevant and more appropriate today than it was then. This time, honourable senators, I am ready with the answer.

This bill would allow average working families desperately looking for relatively secure investments to replace the loss of income trusts and other financial instruments and to receive a relatively secure and attractive rate of return. The bill's framework is simple. The Canadian Business Development Bank would be amended, reducing the costs of the new institution, to be cited as the proposed urban modernization and business development bank, to act as a vehicle of a bank style of due diligence, approvals, actual advances and construction oversight. Cities would apply with a cost-effective plan for each renewal project to the urban modernization bank. Each project would be considered by the bank only after having been first approved by the province, since municipalities are creatures of provinces. Therefore, the bank would only review projects for consideration after the province has approved them.

If approved by the bank, the tax-exempt bond would sought and the rate set, obviously varying from project to project and city to city, based on the market's estimate of each project's revenue stream and,

of course, the infrastructure management track record of construction, supervision and management revenue by each city. It would make each city and each segment of each city accountable to a revenue stream.

In the United States, at the end of 2005, there was in excess of \$2.2 trillion American municipal bonds in their marketplace. Comparing Canada, at one tenth the size, that would make available to the Canadian market in excess of \$200 billion from pools of Canadian investment by Canadian investors to satisfy our made-in-Canada needs. By 2008, honourable senators, tax-exempt bonds number in the United States had climbed from \$2.2 trillion to \$2.7 trillion and it is still on the increase.

In a time of scarcity of credit, tax-exempt bonds would open up new opportunities for banks and others to allow Canadian investors to invest in something that is relatively secure. This is a huge opportunity that was not available when I introduced the bill two years ago, because now there is a credit crunch. This would make credit readily available, I believe, by the banks and financial institutions, to investors, and they would be able to judge the security of that investment by the city in which they live. They could live and invest in their own city.

Canada's urban infrastructure continues to age rapidly.

• (1600)

According to Statistics Canada, Canada's waste management treatment systems have already used up 63 per cent of their service life; roads and highways have used 59 per cent; and bridges, 49 per cent. Bridge repair and replacement is becoming a necessity of safety and security.

I commend the government because I notice that its action plan includes a number of infrastructure grants to be given for bridge repair, which is desperately needed. This repair is a question of safety, and should be given priority.

These figures are only mean averages. In many instances, the situation from city to city and project to project is worse. Only this summer, we heard reports of bridges falling apart in Canada. These bridges are dangerous health and safety hazards and not enough is being done or will be done in the short run as those bridges continue to erode.

In the 1930s, in New York City, there arose a consensus for the construction of bridges and other infrastructure. This construction was financed by toll bridges and tunnels leading into Manhattan, and to this day that system works. It is revenue-producing and it works.

It took more than 20 years for Boston to build underground tunnels and bridges on a revenue-driven, user-pay basis. The tunnels and bridges have modernized downtown Boston, which was a traffic nightmare.

The Federation of Canadian Municipalities projects costs of up to \$125 billion for renovating existing structures and another \$115 billion is required for new growth infrastructure needs. This bill puts the onus where it should be; namely, on each municipality to come up with carefully costed, revenue-projected investments over time periods. The benefits to the city

will be clear. Cities will be able to plan and time their plans more cost effectively on this basis, as opposed to episodic handouts by governments for long-term projects that could be fully funded from the outset. It will allow them to be much more cost-effective based on a market interest rate and determined by each city's record of previous economic management.

This bill will herald a rebalancing of responsible, accountable government where each level of government spending is the government that taxes and pays so that voters and taxpayers may judge clearly the effectiveness of their public officials — the heart of responsible government.

The federal government will forgo tax exempt revenue from these bonds, but this revenue will be much less than under the current plans for grants that never seem to start on time and have no comprehensive means of accountability.

I will give honourable senators an example. Many senators here know Toronto. For the last 10 years, there has been a plan to build a rail line from Union Station to the airport to unclog the 401 and the Gardiner Expressway. I have been present at eight announcements in the last eight years. Mr. Chrétien's government, Mr. Martin's government and, most recently, Mr. Harper's government have all announced that construction.

Honourable senators, let us look at that project. Union Station is there; the rail line is there; the right-of-way is there; and the airport is there. Eight times in the last eight years, successive governments have promised to build that artery. It is still not built. If that plan had been funded, it could have been completed years ago to free up the overburdened express ways.

As I said, the federal government would forgo tax-exempt revenue from these bonds, but the revenue would be much less than under the current grants programs under which projects never seem to start on time and have absolutely no comprehensive means of cost accountability. Honourable senators, remember that this government, we are told, unlike previous governments, is sensitive to accountability. This government wants accountability. As a matter of fact, we passed the Federal Accountability Act. I assume that this bill would be much more interesting to the government than it would be to our side because the government is obsessed with accountability.

Bill S-203 is an accountability bill. We need these programs. This plan is not a substitute for existing grants. It is an additional tool available to cities that choose to use it. There will be ample room for existing and future federal grants to ameliorate the problems in the cities that do not have a sustainable, ample or viable revenue base, or those that need extraordinary or supplemental grants by way of investment in the national interest. This plan does not replace any existing program; it gives cities an option to move ahead more quickly if they choose to do so.

In that way, the federal government's direct investments, together with those of the provinces, will be better able to focus on areas of greater need such as poverty, which should be a pressing concern of every level of government as it is a matter of pressing national interest.

Honourable senators, let history be our guide. There were city states before nation states. Commerce, manufacturing and markets resided in the cities, which acted as a liberating

gateway to freedom and to trade. As cities grew as modes of attraction, manufacturing and marketing, wealth increased. As great cities like Rome declined, new cities arose as engines of growth to take up the new opportunities for growth, productivity and ingenuity. The rise of nations, and the rise of Canada, can be directly traced and attributed to the rise of productive and innovative cities. As go our cities, so goes Canada.

Honourable senators, this bill is not a panacea. Bill S-203 is but a new and additional tool to be made available to cities that wish to respond quickly and sustainably to their pressing economic needs. There is no question that cities need reinvestment in their capital plan. There are many other new, additional ways to obtain this investment. Time does not allow me to make a more fulsome analysis of other alternatives. This is but one.

This bill does not impede or change any existing federal plan or programs. It would be irresponsible for me to propose such a bill. However, Bill S-203 will provide another sound, rational, transparent and accountable economic and sustainable building block for modernizing our cities while respecting the taxpayers' dollars, improving economic efficiency and productivity, and improving the health of our cities and their citizens.

Modern cities can be healthier. Modern cities can be more productive. In the long run, healthier cities are more productive and will produce more tax revenues and reduce health costs.

Finally, I urge all honourable senators interested in economics and economic growth to read a fascinating new book by James Buchan entitled *Capital of the Mind: How Edinburgh Changed the World*. For honourable senators of Scottish descent — I am not of Scottish descent, but I am frugal — I believe Scotsmen can lead the way as they did in Edinburgh.

In the 17th century, Edinburgh, a small city of 40,000, decided to change from a “sink of abomination” and transform itself into the “Athens” of Great Britain and the then existing Western world. This was in the 17th century.

Senator Stollery: It was the 18th century.

Senator Grafstein: It was the 17th century.

How did this small town in the northern part of the British Isles do this? The city fathers of the day decided they would attract the best minds: the best philosophers, the best economists, the best teachers, and the best artisans, workers and scientists. In the process, Edinburgh overtook Paris, then the leading capital of Europe in every area of art, craft and science.

Therein, honourable senators, lies the lesson for civic leaders who fail to lead and fail to inspire their own citizenry and cities to reach for greatness, ingenuity and modernization. All cities can become capitals of the mind.

Honourable senators, I have taken ample time to explain this proposition to you. Now is the time to propel Canadian citizens into the 21st century, to give them a chance, an option, to compete with new and exciting cities around the globe. I urge speedy consideration of this bill on second reading in order that a committee of the Senate can be struck, hopefully in the near

future, to hold hearings to gauge carefully the cost benefits of this bill and the representations I have made in support of these measures. I urge the support of honourable senators.

Hon. Lowell Murray: The honourable senator has invited me to ask a question, so I shall do so. As he has indicated, the question is more timely now than it was when I first put it to him in a previous Parliament. The question has to do with the possible effect of these bonds crowding out other borrowers in the market.

The question is more timely now because the federal government will be going, as they say, big time to the market. I do not have a copy of *Budget Plan 2009* before me, but there is a chapter on the borrowing strategy of the government and the amounts in question. I cannot cite the amounts specifically, but they are not small. Add to that information the fact that a number of provinces, including our own province of Ontario, are going into deficit. There will be, if not a traffic jam, a fair amount of activity in the market.

I ask Senator Grafstein to give honourable senators his answer about the possible crowding out.

• (1610)

Second, I wonder what he has to say about the potential revenue hit on the federal treasury from going ahead with these tax-exempt bonds. One of the reasons I am reluctant to see this matter go to committee is that I am not anxious to see the officials of the Department of Finance having a nervous breakdown in public.

Senator Grafstein: Let me deal with the second question first, and that is the revenue pit. The government is projecting deficits in excess of \$35 billion for the next two years. In my view, that figure is understated. I think the deficit will be at least 25 to 30 per cent more than that.

Let us take my more conservative number of \$45 billion, assuming for the moment the government decides to spend the money they have promised. As we have heard, they promised to spend \$33 billion over seven years for urban infrastructure, and very little of that has already been spent. We may be double counting here.

I hope the government will respond to that because it is important in economic times such as these for the government to be clear, for market purposes, as to how much they need, when they need it, in what particular portion and at what time. We need cash flow analysis, which we do not have. That is confusing the marketplace.

One of the reasons I believe the market is confused is because, quite frankly, the government is not sending out consistent and clear messages as to exactly when this funding will hit.

The second part of the revenue pit issue is that this is not new money. For instance, take \$10 billion for infrastructure for the next three or four years. That would not be new money in the field. The government would have to come up with less money because the cities and provinces could now rely on tax-exempt bonds. It is not a zero-sum game. Each segment must be analyzed.

I cannot be more precise with the honourable senator because it is difficult to get precision from the government. If the government gave us precise numbers, we could make the analysis very happily in the public interest.

By the way, I am not being critical of this government. This is not new. Governments are, by nature, obtuse. This government just happens to be more obtuse than previous ones.

I will now address the honourable senator's earlier question. The only experience we have is that of the United States. The U.S. is about to embark — and next week it will pass — the largest deficit in the history of the world, in the billions of dollars. My estimate is it will be somewhere close to a trillion dollars by the time they are finished, or perhaps more. Again, we may be double counting, because the last word I heard in Washington was that they had already spent \$350 billion. One does not know if it is \$350 billion or if it will be \$1 trillion or \$1.35 trillion in total. Their numbers are equally obtuse.

Having said all that, despite all the confusion in the American marketplace, municipal bonds are still trading and still being issued. There are no IPOs coming out of New York, but cities, if they are able to come up with a viable project, are still able to attract investors. Investors like municipal bonds.

Senator Stollery: Because they are tax-free.

Senator Grafstein: Yes, because of their tax attractiveness.

However, do not consider just the loss of revenue, but think about the leverage. The federal government promises \$5 billion a year over the next seven years, if that is the previous number. I am not sure about that. The government can clarify, but let us take that as being the number. That means \$5 billion of investment for \$125 billion of need. If you took \$2.5 billion of that and used it as the revenue loss to the federal government, we would get \$100 billion of investment for \$2.5 billion of the taxpayers' money. The leverage and job creation on that would be 20 times more than the government's existing plan.

What is the problem in Canada? The problem is getting the economy going. These projects would get on the ground very quickly because a number of them are all set to go.

For instance, in Toronto we had a subway system. We no longer have a subway system because we have not expanded it as we should have. It first started with a great Conservative, Fred Gardiner — Senator Eyton and others will remember him. His theory was very simple. He was a great Metropolitan Toronto mayor, chairman, and a big-time Conservative and Tory. I must admit that my father-in-law was a big-time Tory, and they were close friends.

My father-in-law once said to me, "Jerry, when Liberals ever get elected in Ontario, hair will grow in the palm of my hand." Thank God he passed away, because Liberals are now reigning in Ontario.

Honourable senators, Fred Gardiner had a very simple thesis. He said, "Put the shovel in the ground and build it." That is how the subway system was started.

Senator Stollery: It started before Fred Gardiner; it started with Allan Lamport in 1948. I was there. I remember.

Senator Grafstein: I am very blessed by having great historians with me, but the story is the same: Get the shovel in the ground and build it.

The problem that President Obama and our federal government face is they cannot get the money out the door fast enough to get infrastructure and produce jobs on the ground. That is why, in the United States and Canada, tax relief is one of the measures that is being used. It gets money into the hands of consumers.

Honourable senators, this is a serious problem. The current structure of providing money to the cities will just not work. We will be in the same position in five or ten years as we are today, unless we modernize our cities quicker and faster.

This, at least, is an idea that might help us speed the way.

Senator Murray: Honourable senators, I do not want to monopolize this question period, if that is what it is. I will put one more question to Senator Grafstein, the answer to which I should know but do not.

To what extent are the cities asking for these bonds, and to what extent would they accept them as a trade-off, which my friend has suggested it would be? The trade-off would be that they could issue the tax-free bonds but should not expect capital contributions of the kind to which they would like to become accustomed from senior levels of government.

Senator Grafstein: This is a very important question. When I first introduced this bill, I had press conferences here in Ottawa and in Toronto. I spoke to the urban-municipal association in Calgary and people in Winnipeg. There are three types of associations. There are the municipal associations, the urban transit associations and then the local councils.

The local councils, quite frankly, were divided. The honourable senator is quite right; it is easier for cities to lobby and get a grant than to put together a project that requires a revenue-producing bond. The cities want handouts. They like handouts because they get the money, they spend it, over and out.

This bill requires them to be more accountable. Even Conservative mayors would rather get a handout from the federal government than come up with new ways of financing urban infrastructure.

I will tell honourable senators one story. About two years ago I was invited by the Mayor of Chicago to come and speak to the Great Lakes mayors. Mayor Richard Daley is a great mayor in the United States, and Chicago is a modern wonder.

As some senators know, I feel that we in Toronto do not have enough green space. I believe that our waterfront should be green like that of Chicago's. I do not believe we should be building on the waterfront. I believe it should be green space for the people of Toronto to recreate themselves, as it is in Chicago.

I travelled to Chicago at the invitation of the mayor to participate at the grand opening of Millennium Park. This fantastic park stretched for two miles, all grass, along the

waterfront. I asked the mayor how much it cost. He said that it cost \$450 million. I asked him where he got the money. He walked me to the entrance of the park where there was a plaque. On the plaque were the names of great entrepreneurs and philanthropists of Chicago. He said: "They got the plaque; I got the park."

• (1620)

There was an incentive for people to invest and do things in the city unlike anything we have ever seen in Canada. We are a generous people. There are ways of raising money to urbanize and modernize our cities, and we have not unleashed any of them. We still live in the 19th century when it comes to financing. This bill is a step forward.

Hon. Pierre Claude Nolin: In clause 3 of Senator Grafstein's bill, proposed section 33.1, paragraph (6) states:

33.1(6) Interest paid on a bond in respect of which an income tax exemption has been granted is exempt from income tax under the *Income Tax Act*.

Why is the honourable senator not amending the Income Tax Act instead of proposing to amend the Business Development Bank of Canada Act?

Senator Grafstein: That question is an important one that goes to the whole heart of accountability.

Think about lending money to build a high-rise building. Think about lending money to build a condominium. Think about a major project. Senator Eyton is involved in some of the greatest building projects in North America.

A corporation, to obtain funding to make it accountable, goes to a bank and raises money by way of bonds or what have you. That makes that investor accountable to a bank because the money is advanced as the construction continues, and the accountability for completing the building on time and on budget is based on the bank's draws. To leave it open to the income tax system provides no accountability at all.

Therefore, if somebody invested, say, \$1 billion in Toronto, they would want to make sure that the rate would be set for that bond. As money is advanced, it would be based on actual costs and not cost overrides. It would make the city more accountable. To put it only in the income tax system would make no one accountable for it. It would open it up. That is not the way to go. We must be more careful and more responsible.

We have learned in recent days that being more responsible for financial institutions is a responsibility not only of the individual investor but of government. Why is it the responsibility of governments? Governments must pick up the losses.

Senator Nolin: Is this a new way of distributing exemptions? Usually, exemptions are in the Income Tax Act. The honourable senator proposes a new way to administer those exemptions. Is that not true?

Senator Grafstein: Now that Senator Nolin has raised another problem, let us talk about pension plans.

In Quebec, the Caisse de dépôt, one of the largest pension plans in Canada, has been irresponsible and has lost billions of dollars. The whole issue here is to have a federal institution responsible

for federal taxpayers' dollars in an accountable fashion. I can think of no better way to do so than through a federally established bank that can pursue and have oversight in ensuring that the taxpayers' dollars, which are the cash savings of the dollars, are properly and acutely overseen. We do not have that accountability in Canada. We have a number of pension institutions that are tax-free and that are not federally regulated, hence one of the financial failures of our country. This plan is a better way to go.

Senator Nolin: Now I understand why the honourable senator proposes an amendment to section 4 of the Business Development Bank of Canada Act. The amendment adds a purpose to the bank. I understand that the bank does not have the mandate to do so now, but that it will.

Senator Grafstein: Correct.

Senator Nolin: Exactly.

[Translation]

POINT OF ORDER

Hon. Pierre Claude Nolin: Honourable senators, I wish to raise a point of order. It is clear to me that Bill S-203 calls for the appropriation of funds from the Government of Canada's consolidated revenues.

That is why I would ask that Bill S-203 be added to the list of bills to be reviewed by His Honour the Speaker.

The Hon. the Speaker: Do any other senators wish to comment on the point of order raised by Senator Nolin?

[English]

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, a pattern is emerging here, a pattern in which the other side is constraining this side's possibility of presenting Senate public bills.

Senator Munson: Democratic.

Senator Tardif: The purpose of this bill, if I understand it correctly, is to renew urban infrastructure and to help out aging city infrastructure.

The focus is on what the municipalities can do with provincial approval. I would think that the other side would be pleased because the focus of this bill is on infrastructure, and infrastructure is part of the government's economic stimulus package. One would think there would be some real pleasure at seeing this bill.

I understand that Bill S-203 is complex. I do not purport to understand the entirety of the bill, but technicalities could be addressed in committee by having officials from the Department of Finance and the Minister of Finance come to the committee to answer some of these more complex questions.

As I also understand, the Senate can reduce expenditures — it has that mandate — but it cannot increase expenditures or revenues. I come back to a ruling that His Honour presented May 11, 2006, in the discussion of Bill S-212.

In the discussion of Bill S-212, which was a bill to reduce the Income Tax Act, there were four clauses to it. The bill was not allowed to proceed. However, what was interesting is that clause 1 and clause 2 dealt specifically with reducing the income tax. His Honour cited:

A tax reduction is clearly not a tax imposition even if, incidentally, it has a negative impact on a small number of taxpayers.

According to *House of Commons Procedure and Practice* by Marleau and Montpetit, at page 759 it states:

Legislative proposals which are not intended to raise money but rather to reduce taxation need not to be preceded by a Ways and Means motion before being introduced in the House.

His Honour said that if it had been only for clauses 1 and 2 in that particular case, he would have disallowed the point of order. However, because clause 3 and clause 4 dealt with other matters, the bill did not proceed.

This bill purports to give an income tax exemption and, therefore, it reduces revenue and is not a valid point of order.

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I do not wish to discuss the subject of the merit or lack of merit of the arguments raised by Senator Nolin. He has presented his case as best he can. It is not my role to get involved in judging merit.

I want to put on the record that if a senator in this chamber wishes to raise a point of order on an issue, that senator should be permitted to do so. The other side should not point fingers and say there is a pattern developing.

Some Hon. Members: Oh, oh.

Senator Comeau: Hold on now; if Senator Moore wishes to speak, we will give him a turn. Let me make my comments while I have the floor, for crying out loud.

If a senator in this chamber — and it can be someone from this side or the other — wishes to raise a point of order, by all means, let them do so. That senator does not need permission from me or from my leader. It may be different on the other side, but we do not discourage our side from —

Senator Tkachuk: They would not listen anyway.

Senator Comeau: — presenting points of order. I can truthfully say that I generally do not become involved in this type of discussion. Senator Nolin and I did not discuss whether he would raise a point of order. Generally, I would not raise this kind of comment but I want raise on the record: If a member on our side wishes to raise a point of order, we will not discourage them from doing so.

[Senator Tardif]

• (1630)

The Hon. the Speaker: The chair is interested on advice on the point of order.

Hon. Joan Fraser: Honourable senators, I want to come back to a point made by Senator Nolin where he asked Senator Grafstein if this bill would change the mandate of the bank. Senator Grafstein said “yes,” whereupon — as I recall — Senator Nolin launched his point of order.

It seems to me that when we examine this matter of the mandate, we must look at whether the shift in the mandate of the bank is the core point of this bill or whether it is just ancillary to the main purpose of this bill. Surely the main purpose of this bill is to provide the tax-exempt bonds to encourage more and better municipal infrastructure. As an aside, for those of us from Montreal, where water mains now burst every day, there is much to be said for better municipal infrastructure.

It is well established here that ancillary effects are treated differently from core purposes of the bill. When one brings in a bill to make something happen, the bill has to say who is to do the thing that is to happen. Without such, the bill will be without form and void. In this case, Senator Grafstein said the way it will happen is the bank will have this shift in its mandate but that is not the core point. Therefore, I believe it is not covered by the citation in *Beauchesne's Parliamentary Rules and Forms* to which the Deputy Leader of the Government drew our attention last week on a different point of order.

[Translation]

Senator Nolin: My colleague mentioned a precedent. I would like to point out that I did not participate in the discussion during which senators decided that a tax exemption was not an appropriation of public funds.

Honourable senators, and with all respect and dignity due to His Honour the Speaker, I wish to disagree with his argument, because the direct consequence of a tax exemption is a reduction in government revenue; the effect of the exemption is to reduce the government's revenue.

I would like someone to explain to me how a tax exemption does not result in reduced income for the government.

I very humbly state my opposition to His Honour the Speaker's line of reasoning. I will be very pleased to read his ruling. Perhaps he will decide to reiterate the opinion expressed in the precedent my colleague mentioned.

The Hon. the Speaker: I would like to thank all honourable senators for their comments and contributions regarding this point of order.

The interpretation of rule 81 relates to a number of these points of order. We have reached the research stage on these issues and I will come back with a ruling on this point of order.

I would like to point out that, based on my experience, each point of order is unique and distinctive, and must be studied individually.

I will give my ruling as soon as possible.

[English]

WORLD AUTISM AWARENESS DAY BILL

SECOND READING—DEBATE ADJOURNED

Hon. Jim Munson moved second reading of Bill S-210, An Act respecting World Autism Awareness Day.

He said: Honourable senators, I would like to assure the house that my bill will not cost one cent; however, if we do not do anything, the cost to our society at a later date will be immense.

I stand before honourable senators to speak about Bill S-210, An Act respecting World Autism Awareness Day. I have introduced this bill twice and each time — for some reason — Parliament prorogues shortly after. Therefore, I am here again to ask for your indulgence and support to declare April 2 World Autism Awareness Day.

Honourable senators may recall that in a previous Parliament this bill received warm support, particularly from Senator Oliver and Senator Keon and from Senator Mercer and former Senator Trenholme Counsell. They were all generous in their support and remarks.

[Translation]

With so much support, I hope this bill can be sent to committee as quickly as possible, so that on April 2, 2009, we can celebrate World Autism Awareness Day for the first time in Canada.

[English]

The purpose of the bill is to raise awareness about autism, a neurological condition that affects a growing number of families in Canada and, of course, around the world. According to some reports, autism affects more children worldwide than cancer, diabetes and AIDS combined. One in one-hundred and sixty-five children is living with autism and they need our help. Autism isolates those who have it from the world around them. Many different therapies are available but waiting lists are long and many therapies are not covered by our health care system.

While we do not know very much about autism, we do know that the earlier the treatment can begin the more successful it tends to be. Imagine for a minute how stressful it would be to have a child with autism and know that child will not receive treatment for several months or even years because of long waiting lists; imagine, honourable senators, the anguish that would cause.

It is a tragedy when people with autism do not receive timely treatment because it means they are denied the tools they need to succeed and contribute to society.

Waiting lists are not the only barriers to treatment, honourable senators. Cost is also a factor. Treatment for autism can cost up to \$65,000 a year. Each province has a different approach to funding treatment and far too many families have to remortgage their homes, find a second job or make other sacrifices to ensure their children receive the treatment they need.

The cost for society also increases when treatment is lacking, as honourable senators learned from the report of the Standing Senate Committee on Social Affairs, Science and Technology

entitled *Pay Now or Pay Later: Autism Families in Crisis*. Once again I praise the work of Senator Keon and Senator Oliver in their approach to what we are trying to do.

Untreated, autism can lead to a lifetime of exclusion and often results in placing individuals in institutions at a cost far greater than treatment. Autism also isolates those around an autistic person. One parent, as many of us know, must often give up a satisfying and well-paying career to be a full-time caregiver and advocate for his or her autistic child. Financial strain, fatigue and constant worry for their child erode the mental and physical health of parents. These parents need our help, too.

• (1640)

[Translation]

This modest bill on World Autism Awareness Day will not change the reality of families affected by autism. They will still have to fight to get treatments and make sacrifices to pay for those treatments. However, if Canada were to acknowledge their reality for one day, those families would no longer feel so alone.

[English]

On April 2, World Autism Awareness Day, people with autism and their families will feel the respect and admiration they deserve from their fellow citizens. Such a day will show support, but it will also send a message about autism to those who do not know about this condition. It will be an opportunity for people to learn about autism and recognize that in their communities there are families living with autism — neighbours, friends and colleagues — who deserve to have their reality acknowledged and supported.

Some honourable senators have heard all of this before, but, for the 18 new senators, I am, we are, this country is looking for your support. I know that our new colleagues will recognize the scope of this condition.

In the United States, much more is being done to address autism. The Combating Autism Act of 2006 authorizes nearly \$1 billion in expenditures over five years to help families with autism. This landmark single-disease legislation recognizes autism for the national health crisis that it is. This funding will double expenditures on existing programs, including a significant increase in spending for research, which, as Senator Keon has said, is a necessary piece to solve the autism puzzle. The funding will also provide states with resources for autism screening, diagnosis and intervention. It will provide for a national screening program so that all children in the United States are screened for autism by the age of two. The new American President, Barack Obama, promises to support increased funding for autism research, treatment, screening, public awareness and support services.

Honourable senators, we need treatments, interventions and services for both children and adults with autism. The title of our report, *Pay Now or Pay Later*, came from a young man from New Brunswick in his thirties who owns a small computer company. He said, “Look, we either have to pay now or pay later.” That says it all. Would it not be wonderful if Canada could do as much as our neighbour is doing and find even 10 per cent of that

sum — \$100 million — to help Canadians with autism? Until then, let us at least recognize that autism is serious and affects a growing number of families. Let us declare April 2 World Autism Awareness Day.

[Translation]

All children have the right to succeed and, as parliamentarians, we have the responsibility to make sure they have the necessary tools to do so.

[English]

In closing, I remind honourable senators that Canada is a signatory to the United Nations Convention on the Rights of the Child and the United Nations Convention on the Rights of Persons with Disabilities. These international conventions commit us to take action to see that children with disabilities enjoy a full life in conditions that ensure dignity, self-reliance and full participation in society.

Let us take one more step forward, honourable senators, and join the 192 other countries of the world that have made April 2 World Autism Awareness Day.

Hon. Terry Stratton: Honourable senators, before Senator Oliver speaks, I would like to reserve the 45 minutes for the critic to the bill on the government side.

[Translation]

Hon. Marcel Prud'homme: Honourable senators, I am pleased to give Senator Oliver the floor. I would have liked to take part in the debate, but I do not feel well enough to do so today.

I would be willing to have this bill go to committee immediately. I have a great deal of admiration for the work Senator Munson is doing on this issue. He made us aware of this condition during the last session. We have enough information now.

However, I must face the fact that the whip is entitled to his time, as is Senator Oliver.

Consequently, I will not ask that the debate be adjourned, and I will not take part in it. But I do want to reiterate that I have great respect for what Senator Munson is doing to make us aware of this issue.

I do hope that once the next two senators have spoken, we can expedite the process in order to refer this bill to committee and create this day he so fervently desires.

[English]

Hon. Donald H. Oliver: Honourable senators, I am pleased to rise today not only to support but also to second Senator Munson's motion for second second reading of Bill S-210, An Act respecting World Autism Awareness Day. I begin by thanking Senator Munson for the dedication he has shown on behalf of Canadians with autism and their families, and his hard work in keeping the matter before the attention of the Senate. I also thank Senator Eggleton and Senator Keon, who were the chair and the deputy chair of the Standing Senate Committee on Social Affairs, Science and Technology which brought us the extensive report on funding autism, entitled *Pay Now or Pay Later*.

[Senator Munson]

According to the Autism & Developmental Disorder Laboratory at Simon Fraser University, autism spectrum disorders, or ASD, are:

... neurodevelopmental disorders that affect how the brain processes information. Autism is a form of Pervasive Developmental Disorder (PDD) and therefore affects all aspects of a child's development including verbal and nonverbal communication, social interaction, learning and behaviour. Other Pervasive Developmental Disorders, all of which share features of autism, include Rett's disorder, Asperger's syndrome, Childhood Disintegrative disorder, and PDD not otherwise specified (PDD-NOS).

They typically appear during the first three years of a person's life and, at a very basic level, affect social interaction and communication skills. A person with autism has great problems communicating with others and even relating to the world around him or her. He or she might engage in self-stimulating behaviour such as arm-flapping, swaying or jumping, or might focus obsessively on obscure topics. Those who are able to attend school might be subject to ridicule or bullying, which further stigmatizes them.

ASD has been diagnosed in 1 out of 165 children, an increase of 150 per cent in the last six years. It is not known why there has been such an increase. Currently, 48,000 children and 144,000 adults have some form of ASD in Canada. As Senator Munson stated, the cause is unclear and there is no cure for the neurological differences that result in autism.

There has been promise in the development of coping mechanisms and strategies to deal with the various symptoms, making life easier and richer for people with autism and their families. However, those mechanisms and strategies are not always easy to get. The Senate study I referred to earlier deals with many of the difficulties that families must face to access the programs and treatments that can make a tremendous difference in the lives of people with autism and their families. Senator Munson stated:

Imagine for a minute how stressful it would be to have a child with autism and know that child will not receive treatment for several months or even years because of waiting lists; imagine, senators, the anguish that would cause.

The stress does not end when a child is finally in an appropriate program and receiving assistance. The costs of treatment can be staggering. As we have learned from Senator Munson again today, it can cost up to \$65,000 per year, which is borne largely by the family. Parents must be available to drive their children to programs and appointments and to advocate on their behalf. This involves intervening at schools and working closely with the range of professionals who might be involved in the child's development and care.

• (1650)

Even simple tasks such as grocery shopping, or a fun event like a birthday party, can be transformed by outbursts of anger or frustration.

It takes a delicate balance of patience, hard work and sheer determination to help a child push through the walls that autism creates. The psychological and physical strain on the family can be considerable and the isolation they feel deep. Meanwhile, they must press on, likely also caring for other children, all with a somewhat battered veneer of normalcy.

There is support out there.

When I spoke on this issue last June, I referred to Joan and Jack Craig of Halifax, Nova Scotia, who have an adult child with autism, and the work they have done to support Atlantic families that have children with ASD. This couple was behind the first endowed chair in autism research in Canada, the Joan and Jack Craig Research Chair in Autism at Dalhousie University, as well as the Provincial Autism Centre located in Halifax. Dr. Susan Bryson, a leading expert on autism and related disorders of development, currently holds the Joan and Jack Craig Chair in Autism.

In October 2007, we announced the creation of the national chair in Autism Research and Intervention at Simon Fraser University, to be jointly funded with the Government of British Columbia. This bill would propose support of a different kind, namely, calling for Canada to join with member states of the United Nations in focusing the world's attention on autism each April 2. Members of the United Nations would coordinate events and activities to draw attention to the daily realities of people living with this condition.

World Autism Awareness Day stems from United Nations Resolution 62/139, which was passed on December 18, 2007. April 2 has become one of only three "disease-specific UN days." The United Nations resolution states that it is:

Deeply concerned by the prevalence and high rate of autism in children in all regions of the world and the consequent development challenges to long-term health care, education, training and intervention programmes undertaken by Governments, non-governmental organizations and the private sector, as well as its tremendous impact on children, their families, communities and societies,

Let me remind honourable senators that more children worldwide are affected by autism than pediatric cancer, diabetes and AIDS combined. Setting aside a day will also acknowledge the ongoing struggles and extraordinary talents of the approximately 35 million people living with autism in our international community.

On the International Day of Families in May 2007, UN Secretary-General Ban Ki-moon commented that, "Society has a responsibility to persons with disabilities and their families." He further called for us to do the following:

... dedicate ourselves to enabling the family, the most basic unit of society, to fulfill its role ensuring that persons with disabilities enjoy full human rights with dignity and flourish as individuals.

Furthermore, as the preamble to Senator Munson's bill reminds us:

Whereas Canada is a signatory to the United Nations Convention on the Rights of the Child and the United Nations Convention on the Rights of Persons with Disabilities, which maintain that children with disabilities should enjoy a full and decent life in conditions that ensure dignity, promote self-reliance and facilitate their active participation in the community, while also enjoying all human rights and fundamental freedoms on an equal basis with other children;

Supporting the UN resolution through this bill is a way for Canada to emphasize the importance of universal human rights and, more specifically, the rights of the disabled.

I would also like to point to the 2004 Supreme Court of Canada decision in *Auton v. British Columbia* over the question of public funding for certain autistic-related treatments. In an article in a 2007 newsletter from the Offord Centre for Child Studies, which does a great deal of work in the area of autism, we read this comment:

Both the Auton and Wynberg families argued that insufficient public funding for behavioural treatments for children with autism spectrum disorder (ASD) — whatever their age — is discriminatory. The Supreme Court of Canada eventually ruled against them, but their efforts have had an impact on the policy process. Both B.C. and Ontario have increased funding for ASD services. B.C. now helps parents pay for behavioural interventions, while Ontario provides publicly funded behavioural interventions for young children.

When I spoke to this bill during the last Parliament, I quoted Dr. Jeanette Holden of the Autism Spectrum Disorders Canadian-American Research Consortium, who testified before the Standing Senate Committee on Social Affairs, Science and Technology. She emphasized the importance of increasing awareness about autism spectrum disorders, explaining that:

We need to appreciate the gifts they have and their ability to be happy. We also have to understand that many of these kids are suffering medical conditions that are not recognized. They may be acting out or having problems because they are in pain from unrecognized conditions. We must ask what is causing these behaviours. Is it because they just want to be naughty kids and a nuisance? No. There is a reason. They are either intellectually frustrated or medically compromised. All of these factors must be taken into account.

The establishment of World Autism Awareness Day in Canada is a step towards sensitizing Canadians about the sometimes very difficult world in which these children and their families live, one that can lead to extremely high levels of stress, sometimes accompanied by despair, depression and, in the worst of cases, suicidal thoughts. As the Senate committee found:

Family caregivers are struggling to provide the best care possible for persons living with autism. Their emotional and financial hardships are very real, and a solution must be found.

Honourable senators, World Autism Awareness Day is a step towards showing Canadians with autism the respect that is their due. They, along with those who have developmental or intellectual disabilities, are full members of our society and need to be recognized as such. Through World Autism Awareness Day, Canada will stand with other member states of the United Nations and declare that they are showing support for people with autism.

(On motion of Senator Keon, debate adjourned.)

VISITOR IN THE GALLERY

The Hon. the Speaker: I draw the attention of honourable senators to the presence in the gallery of His Excellency Jaime Girón Duarte, Ambassador of Colombia to Canada. We welcome you to the Senate of Canada.

Hon. Senators: Hear, hear!

FEDERAL SUSTAINABLE DEVELOPMENT ACT AND THE AUDITOR GENERAL ACT

BILL TO AMEND—SECOND READING— DEBATE ADJOURNED

Hon. Tommy Banks moved second reading of Bill S-216, An Act to amend the Federal Sustainable Development Act and the Auditor General Act (Involvement of Parliament).

He said: Honourable senators, this bill seeks to amend the Federal Sustainable Development Act and the Auditor General Act. For several years now, since mid-1995, federal government departments have been obliged, by the previous government and by this government, to have a sustainable development plan of some kind and to report on it annually as to its success and its efficacy in promoting and operating in a sustainable way. That policy was based upon the reasonable premise that if the government were to ask Canadians — Canadian businesses and enterprises — to observe the principles of proper sustainable development, it must first do so itself; it must take care of its own backyard. In fact, for some time, the government's policy was referred to as the Federal House in Order Initiative.

Since it was instituted, that policy has been observed, to put it kindly, spottily across the various departments of government. Some have done well and reported great successes, and have reported candidly and fully, but other government departments have observed the policy more in the breach than in the observance.

The unevenness of the application of this policy among government departments has been reported on in this place and called to Parliament's and to successive governments' attention by the Commissioner of the Environment and Sustainable Development and by the Standing Senate Committee on Energy, the Environment and Natural Resources, several times.

• (1700)

The reaction to these alarms that we have raised has not been heart-warming. However, in the Federal Sustainable Development Act and the Auditor General Act, we now have not merely policy but legislation that is enforceable. It has been given the weight and the teeth of statute.

The Honourable John Godfrey was, during his service in the other place, an indefatigable champion of the environment and environmental responsibility. He devised the then Bill C-474. It was passed in the other place during the last Parliament and sent here for our concurrence.

The object of Bill C-474 was so admirable, needed and necessary that last June your committee recommended to this place its prompt passage notwithstanding deficiencies found in the bill. We were coming down to the end of the session. Mr. Godfrey, who had been a wonderful public servant, was retiring. We did not want to return an amended bill to the other place in case it might be lost. We agreed that despite its deficiencies — I see the deputy chair of that committee nodding now — we would report the bill to the Senate and urge its passage without amendment. In other words, we did not want to let the perfect stand in the way of the good. We did that and this place passed the bill; it is now law.

However, your committee's report recommending its passage included significant observations. This is a law that requires fixing, and that is our job here. We are the quality control department of Parliament. The bill before honourable senators is for that specific purpose.

There are two rectifications included in this bill of amendment. The first has to do with the place of the Senate in the proper conduct of the business of Parliament. Under the Federal Sustainable Development Act, there are various reporting procedures required of ministers of the Crown and of the Commissioner of the Environment and Substantial Development on behalf of the Auditor General. These reports all end up in Parliament. However, according to the act as it is presently written, they are tabled only in the House of Commons. The act requires that the various reports be referred for study to the respective committees only of the House of Commons. The reports are not to be tabled in the Senate. They are not to be referred to committees of the Senate.

I will quote in respect of that issue from the observations that accompanied your committee's recommendation on Bill C-474. It said:

Until and unless the Constitution is amended, Parliament consists of the Crown, the Senate of Canada, and the House of Commons. No proposed legislation of this order would ever leave the Senate of Canada without provisions for the participation in the bill's various functions by the House of Commons. Regrettably that practicality, not to say courtesy, is absent in the present bill.

Honourable senators, in the short time I have been here, we, in various committees and on the floor of this place, have caught several such omissions of this place from the business of Parliament. Many of them have been inadvertent. Many have been accidental and many have been fixed very quickly with apologies.

I must tell honourable senators that in Bill C-474, as originally presented in the other place by Mr. Godfrey, both houses of Parliament — including this one — were included in those reporting procedures and in the committees to which the reports were to be sent for study.

However, the references to the Senate of Canada were removed in the committee process in the other place. This was not accidental oversight; this was deliberate omission. It weakens the act. It undermines the attempt to make environmental decision-making more transparent, and it is an affront to this place. This bill of amendment now before us fixes that shortcoming.

The second part of the present bill seeks to amend the Auditor General Act. It is a very simple and practical amendment. As the Federal Sustainable Development Act is presently written, it requires that reports on it by the Commissioner of the Environment and Sustainable Development be made in his annual report to Parliament. However, that is only once a year according to that act, and the commissioner may find something necessary to report to Parliament with a certain amount of urgency without letting a year pass before his report is due.

Bill S-216 says that a report may be made by the commissioner during the course of his report to Parliament as prescribed in the act that creates the office or during other times of the year during which the Auditor General may report to Canada. The Commissioner of the Environment and Sustainable Development is a function of the Office of the Auditor General.

Honourable senators, we need to fix this bill in both those ways to make it work properly and to maintain the proper place of the Senate in the business of the Parliament of Canada. I hope that we will move this bill with alacrity to, I presume, the Standing Committee on Rules, Procedures and the Rights of Parliament for study and recommendation back to us.

(On motion of Senator Comeau, 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 February 3, 2009.

Hon. David Tkachuk moved the adoption of the report.

(Motion agreed to and report adopted.)

TREATY ON CLUSTER MUNITIONS

INQUIRY—DEBATE ADJOURNED

Hon. Elizabeth Hubley rose pursuant to notice of January 27, 2009:

That she will call the attention of the Senate to the Treaty on Cluster Munitions.

She said: Honourable senators, I would like to begin also by welcoming our new colleagues to the Senate of Canada. I look forward to our working together.

I am pleased to rise today and congratulate governments around the world for supporting the UN Convention on Cluster Munitions and its prohibition on the use, production, stockpiling and transfer of cluster munitions.

On December 3, a few short months ago, states gathered in Oslo, Norway, for the official signing of the convention. This new convention is the culmination of 18 months' work between civil society groups and participating states.

In February 2007, Norway hosted a conference to sponsor negotiations to support a ban on cluster munitions now referred to as the Oslo Process. The Oslo Process, endorsed by 46 countries, championed a treaty that would prohibit the use, transfer and production of cluster munitions, require the destruction of existing stockpiles, and provide adequate resources to assist survivors and clear contaminated areas.

Subsequent conferences were held in May 2007 in Lima, Peru; in December 2007 in Vienna, Austria; and in February 2008 in Wellington, New Zealand. A two-week conference was held in Dublin, Ireland, in May 2008, to draft the final language. One hundred and eleven nations participated, while the U.S., China, Russia, Israel, India, Pakistan and Brazil boycotted the conference.

The final language of the convention eventually was adopted unanimously by participating states on May 28, 2008, and on December 3, 2008, states officially signed the convention.

• (1710)

Cluster munitions, like landmines, are an especially cruel, inhumane and indiscriminate form of weaponry. In contrast to the surgical precision often associated with modern warfare, cluster bombs are designed to inflict maximum damage over a wide area. They are weapons that open over a target area and disperse a large number of sub-bombs. These sub-bombs are undirected and can often cover a square kilometre or more. Their use kills and maims civilians in much greater numbers than more conventional ordnance.

In addition to the immediate devastation they can cause on impact, cluster munitions leave an ongoing threat to the local population much like landmines, in the form of unexploded components, or "bomblets." As with landmines, these unexploded devices persist for decades after the end of the conflict in which they were used. Unexploded cluster munitions cause the death and disfigurement of hundreds of civilians annually, many of them children.

The significant number of unexploded munitions after the military action has finished threatens civilians when they return to the area at a later date, in much the same way as landmines. Not only do these unexploded bomblets kill and maim civilians, including women and children, they obstruct the economic and social development through the loss of livelihood; they impede post-conflict rehabilitation and reconstruction; they delay or prevent the return of refugees; and they negatively impact on national and international peace-building and humanitarian assistance efforts. These severe consequences can persist for many years.

Honourable senators, under the previous government, and particularly with the tenure of Lloyd Axworthy as the Foreign Affairs Minister, Canada was widely seen as an international leader in the area of disarmament, and in the reduction and elimination of the use of the kinds of munitions that continue to kill long after wars have ended.

One shining example of this leadership was the signing in Ottawa of the Landmines Treaty in 1997. Canada led the way, not only in banning the use of landmines but also in addressing the legacy of past conflicts with efforts to remove existing landmines.

With that historic agreement in place and implementation well underway, the international community turned its attention to cluster munitions. In November 2003, the Cluster Munition Coalition was created by uniting more than 250 civil society organizations in 70 countries to support a ban on cluster munitions. This coalition was instrumental in the Oslo process and the new UN Convention on Cluster Munitions.

Canada has never used cluster bombs, although two types are contained in our arsenal of weapons. Canada has committed to the destruction of its cluster bombs; however, there is still a lot of work to be done in clearing landmines and cluster munitions worldwide.

More international effort and funding are required for the clearance of areas affected by landmines and cluster munitions. As we celebrate the signing of the UN Convention on Cluster Munitions, it is my hope that Canada will continue to lead international efforts to clean up the deadly legacy of armed conflict left behind in countries across the globe.

The Hon. the Speaker *pro tempore*: Will Senator Hubley accept a question?

Senator Hubley: Yes, I will.

[Translation]

Hon. Roméo Antonius Dallaire: Could Senator Hubley again name the countries that did not ratify the cluster munitions treaty?

[English]

Senator Hubley: I thank the honourable senator for his question. The question is especially important coming from Senator Dallaire, with his background in the military. I am quickly trying to decide if my papers are in backward order, but I do have that information for you.

Perhaps, so that I do not hold you up, if I might —

An Hon. Senator: Take your time.

Senator Hubley: If you do not mind, so we do not hold up the proceeding, I will provide those countries to the honourable senator.

Senator Dallaire: I do not want to cause an embarrassment to the honourable senator.

The reason I ask is that I am wondering if Senator Hubley can tell me whether the countries that have recently been in conflict — the Middle East, for example, in Afghanistan and Iraq — have recently used those weapons.

Senator Hubley: My understanding — I think from discussions with the honourable senator — is that, indeed, cluster munitions are being used and have been used a great deal.

[Senator Hubley]

I have the countries that did not participate. The U.S., China, Russia, Israel, India, Pakistan and Brazil boycotted the conference.

Senator Dallaire: It is one of those scenarios, again, where we are attempting to eradicate the use of weaponry that are fundamentally against human rights; that is, the human right to security, as we discussed yesterday in regard to nuclear weapons. I agree entirely with the concept of eliminating cluster bombs.

The original concept was that those weapons were to be time sensitive; that is, when we originally invented them, they would have a time limit — two hours, a day, and so on. Once that time expired, essentially they would be disarmed. That aspect never came into being, and that is why the weapons are there forever and ever.

How will we move the countries that are using them in war, and continue to use them in war, to stop using them? We have not used them. The bulk of the countries of the world who still own them do not use them and are signing up.

These weapons are expensive and sophisticated. We will not find them in conflicts in the Congo. We will find them where sophisticated militaries are used, and these militaries continue to use them. How will we move them to stop the use of that weaponry?

Senator Prud'homme: By shaming them.

Senator Hubley: I thank Senator Dallaire for the question. He pointed out something important. To make cluster munitions more affordable, they have taken out of the bomb itself a lot of those safety features that were once present.

How will we stop their use? If Senator Dallaire and I had the answer to that question, we would be busier than we are in trying to implement it. However, I hope perhaps through the work that is done within the senates of the world that we can bring to bear our displeasure with the use of this type of weaponry. Those are the tools we have.

I hope other people in other countries and other bodies will perhaps have as effective a way of doing it. However, for us, if we continually keep these issues before the people in any way we can, perhaps that will be one of the better ways, as Senator Prud'homme has suggested, that we can persuade other countries to follow our good example.

Senator Dallaire: I have a follow-up question. Canada led, and was most active in, the elimination of landmines. One instrument we used with a number of countries that did not want to stop using them was discussing with their militaries alternate systems other than landmines to achieve the same security aims. We were successful in moving a number of those countries.

• (1720)

As I look directly across the room and think about the previous government that spent a great deal of money and made an effort to lead that exercise, I wonder whether we will get that same enthusiasm and leadership from a country such as ours, one that can technologically produce and afford that weaponry. I wonder

whether Canada will take the lead to pressure countries to stop using these weapons. Will we be an innovator by promoting peace in the world rather than following someone else's tune?

Senator Hubley: The honourable senator's statement speaks volumes for what we would like to see in the world. We can only hope that Canada will play that leadership role again with the issue of cluster munitions.

[*Translation*]

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I congratulate Senator Hubley for her speech about this very important project and for the passion and conviction with which she has tackled this matter. I am disappointed, however, that Senator Dallaire would say that the

Conservative Party is not interested in such matters and that the Liberals find solutions to this type of problem. I believe that this is not the type of approach to be taken by parliamentarians. If we were to survey the parliamentarians in both chambers, it would become evident that everyone is interested in this type of problem. This is not a matter of interest only to the Liberals. However, we could discuss this at length another time. I now therefore ask that debate be adjourned.

(On motion of Senator Comeau, debate adjourned.)

(The Senate adjourned until Thursday, February 5, 2009, at 2 p.m.)

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