



CANADA

# Debates of the Senate

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2nd SESSION

•

40th PARLIAMENT

•

VOLUME 146

•

NUMBER 27

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OFFICIAL REPORT  
(HANSARD)

**Wednesday, April 22, 2009**



THE HONOURABLE NOËL A. KINSELLA  
SPEAKER

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

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



## THE SENATE

Wednesday, April 22, 2009

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

Prayers.

[*Translation*]

### SENATORS' STATEMENTS

#### FOREST INDUSTRY IN QUEBEC

**Hon. Suzanne Fortin-Duplessis:** Honourable senators, on Monday, the ministers of natural resources for both Canada and Quebec announced the creation of a joint task team to help Quebec's forestry industry.

This team will be made up of senior federal and provincial government officials and will coordinate the efforts of both levels of government with respect to matters affecting the industry, which has been hit repeatedly by the economic crisis.

This single-window approach will make it possible to implement solutions more quickly. The team's first meeting is scheduled for tomorrow.

Its initial mandate is to submit a report by May 15 on the industry's major issues: forest management, silviculture, support for workers and communities, and access to credit.

• (1335)

At the same time, the Conservative government will help forestry industry workers and businesses that have been going through tough times since the beginning of the global recession. On April 14, 2009, the Minister of Natural Resources, the Honourable Lisa Raitt, and the Minister of National Revenue, the Honourable Jean-Pierre Blackburn, announced a series of measures worth \$170 million.

Prime Minister Stephen Harper's government is working closely with the forestry sector to ensure that this new money will open new markets for Canadian products. This significant investment will help strengthen Canada's position with respect to new technology development in this key sector.

The purpose of this funding is not only to help the workers who depend on the survival of the forestry industry, but also to prepare a solid foundation for the future by focusing on marketing and innovation.

The Conservative government will help the forestry industry develop new technologies and will redouble its efforts to open global markets.

The forestry industry applauds Prime Minister Stephen Harper's government's financial support, which covers the priorities identified during the 2009 pre-budget consultations.

Our Conservative government is doing everything it can to help Canadian workers address the challenges of competition and to strengthen their ability to compete in a changing global market.

[*English*]

### MR. FIRDAUS KHARAS

**Hon. Mobina S. B. Jaffer:** Honourable senators, in recognition of World Malaria Day today, I would like to pay tribute to Canadian Firdaus Kharas. Mr. Kharas is having a significant impact on malaria prevention.

Firdaus Kharas is a creator, producer, educator and humanitarian whose award-winning animated public service announcements feature two funny animated female mosquitoes called Buzz and Bite. These insects have made him a world leader in the prevention of malaria infection. Mr. Kharas states:

Malaria is one of the most prevalent and easy to avoid diseases in the world. We need to make a concerted effort to educate and to provide nets so people in over 100 countries can avoid this debilitating disease . . . It just takes pervasive information campaigns through vehicles that are easily understood by all and in all languages. Animation is certainly a way to reach a broad audience effectively and efficiently.

Mr. Kharas developed the Buzz and Bite public service announcement series of 30 animated spots in order to use humour to educate viewers on the causes and prevention of malaria, particularly by stressing the use of bed nets.

Since its spring 2008 launch, the series has been adapted into 22 languages. The success of the spots has brought in requests from many countries for more language adaptations. By the end of 2009, there will be 1,400 spots in circulation in more than half the countries with malaria, making it the world's largest public service campaign on any subject.

The public service announcements are available for all who wish to use them anywhere in the world, free of charge. The campaign is strongly supported by Nobel Laureate Archbishop Desmond Tutu, who has written an open letter which he calls "an impassioned plea to use the material."

Firdaus Kharas has been referred to in the media as the "world renowned" director and producer of animation, film and television media. His creations educate, motivate and entertain across cultural barriers. His media positively influences audiences' knowledge, attitudes and behaviour, especially among children and young adults.

During a recent interview Mr. Kharas said, "Individuals can make a difference." If you ask, Firdaus will tell you, "I am just trying to make a small contribution."

Honourable senators, I know you will join me in congratulating Firdaus Kharas for his work and, more importantly, to recognize an amazing Canadian who makes us all proud of the great difference he is making in the lives of people all over the world.

### GOVERNMENT POLICY ON CRIME

**Hon. Yonah Martin:** Honourable senators, in these times of global economic recession, our government's first priority is to protect Canadian jobs.

Conservatives believe in tackling the global recession, but we also believe in tackling crime, and we will not back down from our commitment to safer streets.

• (1340)

That is why the Minister of Justice has instructed the department to draft legislation that would, if passed by Parliament, cap the credit for time served.

Our party campaigned on a promise to restrict courts from giving extra credit for pretrial custody, and action is clearly needed. Right now, convicted criminals can receive "two for one" or even "three for one" credit for time served prior to conviction.

Honourable senators, this initiative is just the latest action we have taken to make our communities safer for working families.

Our government cracked down on street racing, a crime that all too often kills. We invested \$64 million in a National Anti-Drug Strategy and \$16.1 million to protect youth at risk. We also invested in 1,000 new RCMP personnel, and we are working with the provinces, territories and municipalities to put more front-line officers on our streets. We raised the age of protection to protect young people from sexual predators. We restricted house arrest sentencing for serious crimes, toughened the bail rules and required mandatory jail time for serious gun crimes.

Honourable senators, Canadians need to know they are safe in their homes and communities, and that when justice is served it is served swiftly. By getting tough on criminals with tougher sentences and more police, our government is making our streets safer and building a better Canada.

[Translation]

### CITY OF EDMONTON

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, as a senator from Alberta, I am pleased to share the results of a recent study of Canadian cities that ranks my home town, Edmonton, first among sustainable cities in Canada, in the large city category. The study, published in the winter 2009 issue of *Corporate Knights* magazine, evaluated cities on the following criteria: ecological integrity, economic security, governance, infrastructure and social well-being.

Air quality, water usage, waste restrictions, recycling programs, violent crime and voter turnout are just a few of the factors taken into account to rank the cities, and Edmonton did better than all the others.

Edmonton is known as festival city. Indeed, over 40 festivals and major events were held in Edmonton in 2008, more than in any other Canadian city. It obtained the highest score in the area of economic security.

Edmonton hopes to become an innovation centre for value-added and green technologies and products. I am confident it will succeed with its many programs. For example, the city promotes the local economy. Last November was the first Buy Local Month, one of Edmonton's programs. This great initiative sets an excellent example, especially on this Earth Day.

Having climbed from fifth to first place in this annual ranking, the City of Edmonton has made, and continues to make, considerable progress in the area of sustainability. The citizens of Edmonton are among the most eco-friendly on the planet, and continue to be recognized in Canada and around the world for their environmentally-friendly practices. They enjoy more than 700 kilometres of bicycle paths to get around and to exercise.

A sustainable city is a place where people like — and are able — to live, work, be entertained and develop. Every day, the city takes more practical steps to become as sustainable as possible. Edmonton has an excellent recycling program and many environmental awareness programs that target the residential, business and school sectors.

In addition, the 18 faculties of the University of Alberta attract a student population of more than 37,000 from all Canadian provinces and territories, as well as from abroad. The 3M National Teaching Fellowship, the most prestigious teaching award at the undergraduate level, has been bestowed on 28 professors at the University of Alberta since 1986, far more than any other Canadian university. In addition, I would like to point out that the University of Alberta will have the honour of welcoming the poet and playwright Derek Walcott, who won the Nobel Prize in 1992.

Notwithstanding all the efforts made by municipalities and the variety of programs offered to create a better city, this honour belongs to the citizens of Edmonton, who make it a great city in which to live.

• (1345)

[English]

### COMMEMORATION OF THE SINKING OF THE *TITANIC*

**Hon. Donald H. Oliver:** Honourable senators, I rise to call your attention to the ninety-seventh anniversary of the sinking of the *Titanic*. It was on April 12, 1912 that the White Star Line vessel set sail on her maiden voyage with over 2,000 passengers on board. At 11:40 p.m. on the night of April 14, the ship struck an iceberg and sank two and a half hours later in the icy cold waters of the Atlantic.

In honour of the *Titanic's* lasting legacy, an hour-long ceremony took place at Fairview Cemetery in Halifax last week to commemorate the ship and its 1,500 victims who perished in this tragic accident. However, this ceremony was only a preview

of what will happen in three years when the *Titanic* will celebrate its one hundredth anniversary. Ken Pinto of Dartmouth, Nova Scotia is heading a committee of 25 people and a board of 10 members who are working on a major commemoration to honour the ship's centennial: Titanic 100.

Titanic 100 is scheduled to take place throughout 2012 with many events taking place in mid-April. The project's committee has already planned an impressive list of events and activities that will commemorate this important anniversary in an original fashion and on many different levels.

One of the project's main events is expected to be an international conference on the *Titanic* with forums, workshops and lectures for scholars, scientists, researchers and all those interested in the legendary ship. Another major activity will be the unveiling of a monument to honour Canada's historic role in the rescue mission and to pay tribute to the passengers buried in these three Halifax cemeteries.

Titanic 100's list of scheduled events also includes a cruise ship industry convention, a film festival, concerts by world-renowned artists, special exhibitions, symposiums and many other exciting activities. People from around the world will flock to Halifax for this important celebration.

Halifax has important ties to the *Titanic*. When the ship sank, Halifax was the closest major seaport. It was the base for ships such as the *Mackay-Bennett* and the *Minia* who searched for and recovered 328 bodies from the wreckage. Today, Halifax is the resting place for 150 of the ship's passengers; more than any other location in the world.

Belfast, Ireland is where the ship was built. Southampton, England is where it set sail. Halifax is where its journey ended.

Clearly, the history of this legendary ocean liner is part of our collective Canadian history. That is why Titanic 100 will connect Halifax, Nova Scotia and Canada to the global icon, the global brand and the global market that is the *Titanic*.

In conclusion, I bring this matter to the attention of all honourable senators today because this initiative will commemorate the important role Canada played in the tragic events of April 14, 1912. However, it will also put Halifax on the world stage, bring thousands of tourists to Nova Scotia throughout 2012 and stimulate our economy.

#### WORLD CONFERENCE AGAINST RACISM

**Hon. David Tkachuk:** Honourable senators, this Monday, Canada's strong international leadership in boycotting the United Nations' so-called world conference against racism was validated by the despicable remarks of the conference's opening speaker, Iranian President Mahmoud Ahmadinejad. As Prime Minister Harper predicted, the Iranian president disgraced himself and the United Nations with a tirade against Jewish people and the state of Israel.

The fact that such an infamous and unapologetic bigot was chosen to kick off a conference that is ostensibly against racism is more than ironic. It is a damning statement about the failure of the United Nations as an organization to stand against the most dangerous and offensive forms of racism.

In January 2008, Canada became the first country in the world to announce that it would not attend Monday's conference. Many other nations followed Canada's lead — Israel, Australia, New Zealand, Poland, Germany, Italy, the Netherlands, Sweden and the United States.

I congratulate Prime Minister Harper for the moral clarity and decisive leadership he has demonstrated in standing against racism, and I applaud those nations that followed Canada's example by boycotting Monday's debacle. I also applaud the nations whose delegates walked out on the Iranian president's disgusting speech and the leaders who have since condemned that speech.

Most of all, I implore the United Nations to seriously rethink its handling of this issue and to avoid giving bigotry a podium in the future.

• (1350)

#### ACADIA UNIVERSITY

**Hon. Norman K. Atkins:** Honourable senators, in keeping with its capacity for progressive thinking, and in recognition of the Year of the Woman, Acadia University has decided to grant honorary degrees for this academic year solely to very deserving women. All of this will be done in the presence of Mr. Arthur Irving, Chancellor, and the new University President, Mr. Ray Ivany, who assumed his official duties on April 1 of this year.

One hundred and twenty-five years ago, the first woman was granted a degree from Acadia University. In fact, the recipient, Clara Belle Marshall, was only the second female granted a degree in the entire British Commonwealth. This was a significant achievement for Ms. Marshall and for the university.

Acadia University was founded in 1838, with classes commencing in 1839. It was recognized by the Nova Scotia Legislature in 1840, and the university was granted official status and incorporated upon recognition by Queen Victoria in 1841. The university granted the first degree in 1843.

Acadia was clearly ahead of its time. Clara Belle Marshall graduated before any females from any of the larger institutions that existed in Canada at that time.

Ms. Mary Raymond, in conjunction with Acadia University, provided a scholarship fund in recognition of her mother's achievement. On the one-hundredth anniversary of Clara Belle Marshall's graduation, additional funds were provided for this ongoing scholarship.

Honourable senators, please join me in congratulating the university in recognition of their forward thinking and in recognition of the achievements of the degree recipients in May of this year.

[Translation]

## ROUTINE PROCEEDINGS

### L'ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

MEETING OF THE STEERING COMMITTEE OF  
THE NETWORK OF WOMEN PARLIAMENTARIANS,  
FEBRUARY 12-15, 2009—REPORT TABLED

**Hon. Rose-Marie Losier-Cool:** Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canadian branch of the Assemblée parlementaire de la Francophonie to the meeting of the steering committee of the Network of Women Parliamentarians of the APF, held in Phnom Penh, Cambodia, from February 12 to 15, 2009.

### CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

PACIFIC NORTHWEST ECONOMIC REGION ECONOMIC  
LEADERSHIP FORUM, NOVEMBER 20-21, 2008—  
REPORT TABLED

**Hon. Jeremiah S. Grafstein:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-United States Inter-Parliamentary Group to the Pacific NorthWest Economic Region Economic Leadership Forum, held in Whistler, British Columbia, Canada, on November 20 and 21, 2008.

[English]

CONFERENCE “BLUEPRINT FOR CANADA-US  
ENGAGEMENT UNDER A NEW ADMINISTRATION,”  
DECEMBER 8, 2008—REPORT TABLED

**Hon. Jeremiah S. Grafstein:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-United States Inter-Parliamentary Group to the Conference “Blueprint for Canada-US Engagement Under a New Administration,” held in Ottawa, Ontario, Canada, on December 8, 2008.

[Translation]

### CANADIAN NATO PARLIAMENTARY ASSOCIATION

VISIT TO AFGHANISTAN BY COMMITTEE OFFICERS,  
OCTOBER 23-26, 2008—REPORT TABLED

**Hon. Pierre Claude Nolin:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canadian NATO Parliamentary Association concerning its participation in the visit to Afghanistan by officers and committee officers of the NATO Parliamentary Assembly, held in Afghanistan from October 23 to 26, 2008.

• (1355)

[English]

VISIT BY DEFENCE AND SECURITY COMMITTEE,  
SEPTEMBER 22-26, 2008—REPORT TABLED

**Hon. Joseph A. Day:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canadian NATO Parliamentary Association to the visit by the Defence and Security Committee, held in Australia, from September 22 to 26, 2008.

[Translation]

### L'ASSEMBLÉE PARLEMENTAIRE DE LA FRANCOPHONIE

BUREAU MEETING, JANUARY 21-22, 2009—  
REPORT TABLED

**Hon. Pierre De Bané:** Honourable senators, pursuant to rule 23(6), I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation to the bureau meeting of the Assemblée parlementaire de la Francophonie, held in New York, United States of America, on January 21 and 22, 2009.

[English]

## FISHERIES ACT

CESSATION OF COMMERCIAL SEAL  
HUNT—PRESENTATION OF PETITIONS

**Hon. Mac Harb:** Honourable senators, I have the honour to present petitions on behalf of residents of British Columbia, calling on the Government of Canada to amend the *Fisheries Act* to end Canada's commercial seal hunt.

## QUESTION PERIOD

### ENVIRONMENT

CANADA-UNITED STATES CLEAN ENERGY DIALOGUE

**Hon. Grant Mitchell:** Honourable senators, in what, believe it or not, has become standard operating procedure, the Prime Minister of Canada, Mr. Harper, has hired some more American consultants. It is as though he cannot find anyone in Canada and give them some jobs. This is his job strategy — this time — to fight the threat of a potential “buy American” protectionist policy.

Has Mr. Harper hired any consultant — Canadian, American, anyone at all — to implement a real, concrete, cap-and-trade policy in Canada so that our exports are not killed by what will be an inevitable U.S. “buy green” protectionist policy?

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** I thank the honourable senator for his question. I know the honourable senator is fixated on the great strides the Prime Minister is making in dealing with the Obama administration. In fact, I have read Mr. Manley’s report in *Policy Options* where he suggests that the Canadian government step up its efforts to sell its story in the United States.

**Senator Mitchell:** I suppose I should say I am really sorry that I actually want to hire Canadians, because I know the government’s employment policy is to make jobs for Americans.

I wonder whether the leader might say when we will see concrete action, not endless rhetoric, and focus on developing a cap-and-trade policy that will allow us to prepare our businesses and farmers for what is the inevitable American cap-and-trade policy. If we are not ready in a year from now, such a policy will overwhelm our businesses, our economy and our farms.

**Senator LeBreton:** As the honourable senator knows, we have a very competent Minister of Environment from the province of Alberta. Earlier this year, the Prime Minister and President Obama established a U.S.-Canada clean energy dialogue. Minister Prentice has been working diligently with his counterparts in the United States and, as we speak, is attending a meeting of the G8 ministers of the environment.

With the new U.S.-Canada clean energy dialogue, Canada will be able to make great steps forward. Our government will also work with other countries to move on the environment and climate change issues. As the honourable senator knows, rather than pay lip service to the issue like the previous government did, our government has tough and real environmental policies that we intend to live up to.

• (1400)

**Senator Mitchell:** Will the honourable leader show someone these tough standards? Speaking of the G8, can the leader tell the house what Mr. Harper will do to rectify the fact that Canada has been ranked the worst country in the G8 for carbon emissions, based on statistics from his environment department?

**Senator LeBreton:** Honourable senators, we have received the report, and we appreciate the work of the National Round Table on the Environment and the Economy. The report covers more years than the time that we have been in government.

Senator Mitchell throws out statistics, which can be used in many ways. Yesterday, when the Leader of the Opposition asked questions on science during Question Period, he deliberately left out the budget figures from the last two budgets.

**An Hon. Senator:** That is right.

[ Senator Mitchell ]

## INFORMATION COMMISSIONER

### ACCESS TO INFORMATION ACT

**Hon. Tommy Banks:** Honourable senators, my question is to the Leader of the Government in the Senate. During Question Period on March 25, 2009, in response to a question by Senator Fox, she said:

Recent actions taken include developing a framework to strengthen information management across government because that is part of the problem. Different departments process these requests differently. There is an excess of paper in some departments and there is no cross-government management.

Minister, until recently there was highly efficient cross-government management of information and cross-departmental coordination of access to information requests. It was called the Co-ordination of Access to Information Requests System, or CAIRS, and was created in a brilliant move by the Progressive Conservative government of Mr. Mulroney in 1989. However, the government of the honourable leader did not think that it was a good idea and has axed CAIRS because, as a Treasury Board official explained at the time, extensive consultation showed that the program was not valued by government departments. However, there were uses for CAIRS other than by government departments, for example to enhance openness and accountability. Apparently, Robert Makichuk, the government spokesman, did not think so because he said:

... the valuable resources currently being used to maintain CAIRS would be better used in the collection and analysis of improved statistical reporting.

We have all heard a great deal in our respective offices about requests for access to information, but no one is beating down my door to ask for better analysis of statistical reporting. CAIRS was an inconvenience, so it has been made to disappear — people kept asking questions.

Will the minister undertake at the next Conservative government cabinet meeting to urge the Prime Minister to rejuvenate that valuable program with its openness, its accountability and its precious access to information from government?

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** I thank Senator Banks for the question. The information management framework provides context and broad guidance to the way in which the government manages its information assets in all sectors. As a result of the improved information, management in government departments is improving responses to requests for access to information so that they are more timely, complete and efficient.

As I stated in earlier answers, to which the senator alluded, many more agencies of government are now captured under access to information. CAIRS was a database that contained the text and dates of requests made under the Access to Information Act. It did not contain the replies to the requests. It was a gathering place for the requests and the respective dates.



CAIRS was criticized by the honourable senator's side when it was first brought in by the Mulroney government because it was said that the government was using it as an early warning system to alert government to access requests. As the old saying goes, you cannot suck and blow at the same time.

• (1405)

After a thorough review, our government concluded that the resources used to maintain and upgrade CAIRS were not a good investment of taxpayers' money. As I stated last year, all of the information that was part of CAIRS remains available to those who request it through individual institutions, and we have simply ended the centralized control structure that did not improve access to information one bit.

## SCIENCE AND TECHNOLOGY

### FUNDING

**Hon. Art Eggleton:** Honourable senators, my question is directed to the Leader of the Government in the Senate. A few moments ago the honourable senator referred to the question on science funding that Senator Cowan, our leader, asked yesterday. I want to follow up on that question, but the quotes I will give are entirely from the science community, from the people who signed this open letter of March 16. They asked the federal government to reconsider funding cuts to Canada's three leading science funding agencies, calling them, "A huge step backward for Canadian science."

They went on to state, "Whereas the U.S. government is proposing to boost the funding of the National Science Foundation (NSF) by 40 per cent . . . we see Canada . . . cutting NSERC," which is the Natural Sciences and Engineering Research Council, ". . . by 5 per cent. Whereas the U.S. administration is proposing to boost the funding of the National Institute of Health (NIH) by 30 per cent . . ." we are ". . . cutting CIHR's. . ." which is the Canadian Institutes of Health Research, — ". . . by 5 per cent, while essentially ignoring the needs of Genome Canada. When U.S. researchers are being actively approached for ideas to use the stimulus money to think big and to hire and retain their researchers, their Canadian counterparts are now scrambling to identify budget cuts for their Labs, while worrying about the future of their graduating students."

This is what all these scientists are saying. Will the government act on the advice of these distinguished scientists?

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** Honourable senators, as I have said before, in every group there are always people who support the government's actions and those who do not. We could fill this place in a year with the paper that is written by people who are supportive or not of the government.

With regard to the question yesterday from the Leader of the Opposition in the Senate concerning the Statistics Canada report, I was simply making the point that the report did not include new

investments in the 2008 and 2009 budgets. I do not need to add — especially to Senator Eggleton, since he was part of the government — that in the mid-1990s his government cut funding to science by \$442 million.

A question had been asked by Senator Carstairs and a response is being provided with regard to post-secondary research. In the answer we reported that Canada ranks first in the G7 and second after Sweden among the 30 OECD countries in terms of higher education and R&D expenditures as a percentage of GDP.

Honourable senators, we do support science and technology because obviously, in this new economy that is emerging, investment in this area creates jobs and improves quality of life and builds a stronger economy for the future.

On April 7, the Minister of State for Science and Technology announced 61 new or renewed Canada research chairs for 14 universities across Ontario. As of February 2009, there are 1,831 research professorships at 70 universities across Canada. Of these, 574 researchers were recruited from abroad, including 265 Canadian expatriates.

• (1410)

**Senator Eggleton:** Honourable senators, I hear the leader cite all the statistics. It is true that our government cut funding in the 1990s to get rid of the \$42 billion deficit we inherited from the Mulroney government. Fortunately, we ended up endowing these funds to a very substantial extent and the government has carried on some of that funding. The leader has given us some statistics, but we are in a different era and at a different point in time.

The United States is boosting funding in all these areas and Canada is not. Scientists are saying that the government is creating a chill in the scientific community and we could lose many of these valuable and highly-trained people to other countries.

I want to deal with this subject in a supplementary question. One area that is particularly short changed is the area of basic research. The government has come out with a policy — we examined this policy at committee last year — on some priority areas in terms of applied research, getting commercialization of different pieces of research, which is all very good. There are four priority areas, but money was omitted for necessary basic research. This community needs additional funding. The three councils need more money for basic research, not less money. Will the government give a higher priority to basic research?

**Senator LeBreton:** Honourable senators, someone mentioned Genome Canada in an earlier question. Genome Canada has been provided with long-term stable funding. Senator Keon has noted that no other organization does more basic research than that provided by Genome Canada.

I just read some statistics of the number of people we have attracted to Canada, including some expatriates.

The honourable senator talks about the cuts that the government has made. We can get into that debate, but the fact is that not only did the Liberals cut scientists, but they cut health

care, education and CBC funding over this deficit that is claimed to be so large, but it was not the largest deficit in the history of the country. The largest deficit was the one left by Pierre Elliott Trudeau in 1983.

The fact is that the government is very committed to research and development, science and technology and all of its aspects. I will repeat what the Minister of Industry has indicated many times: We are putting \$5.1 billion into new investments. These investments include but are not limited to the Canada Foundation for Innovation, \$750 million; the Industrial Research Assistance Program, \$200 million; the Institute for Quantum Computing, \$50 million; the Industrial Research and Development Internship program, \$3.5 million over two years; and there is also a \$2 billion Knowledge Infrastructure Program. These are serious dollars. Ministers Goodyear and Clement are working with the scientific community to get these programs rolled out.

Honourable senators, rather than resort to fear-mongering over what the United States is doing, I think we should look at what we are capable of doing with our own resources. We do not have any substantiated evidence to show what is occurring in the United States. We have only heard reports. I do not believe that in some unknown way we will fall behind the United States. We have no such evidence and I do not believe that to be the case.

[Translation]

## NATURAL RESOURCES

### FOREST INDUSTRY

**Hon. Jean-Claude Rivest:** Honourable senators, I would like to discuss problems in the forest industry, particularly in Quebec, New Brunswick and northern Ontario.

I have already asked the minister about the inadequacy of the Canadian government's support for the industry in this time of crisis. Last week, the Government of Quebec announced an additional \$100 million in loan guarantees for Quebec's forest industry.

• (1415)

As federal government ministers have stated, American softwood lumber lobbyists have claimed that the Government of Quebec's initiative contravenes Canada-U.S. free trade agreements. However, the Government of Quebec cited federal government lawyers, claiming that its initiative did not, in any way, fail to comply with the free trade agreement.

Does the Government of Canada support the Government of Quebec's position or that of American softwood lumber lobbyists?

[English]

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** Honourable senators, I thank Senator Rivest for the question. With regard to the recent decision of the United States on softwood lumber, the government is appealing that decision.

[ Senator LeBreton ]

More specifically, with regard to the forest industry in Quebec, honourable senators would know that the Government of Canada and the Government of Quebec have agreed to lead a Canada-Quebec task team to coordinate efforts to support the forest sector in Quebec.

We have also been accelerating the delivery of \$211 million to Quebec from the \$1 billion Community Adjustment Fund. Of course, the honourable senator will understand, and it only makes sense, that the forest sector has been identified as one of the priority areas that will benefit from the Community Adjustment Fund.

[Translation]

**Senator Rivest:** The joint task team has, indeed, been announced by the Canadian government, but it seems to be focused on research.

Could the Government of Canada not do the same thing with the governments of New Brunswick and Ontario, which are dealing with the same problems as Quebec in the forest industry?

[English]

**Senator LeBreton:** I specifically focused on the Quebec-Canada task team. I will take the question with regard to New Brunswick and Ontario as notice.

## HUMAN RESOURCES AND SKILLS DEVELOPMENT

### SERVICE CANADA—CANADA PENSION PLAN

**Hon. Catherine S. Callbeck:** Honourable senators, my question is directed to the Leader of the Government in the Senate.

Nearly two months ago, on February 26, I asked her about the government's outreach activities to ensure that all Canadian seniors receive their rightful Canada Pension Plan benefits. I asked if the workers on the front line are now required to advise seniors of their eligibility when they apply for Old Age Security. I asked for the most recent figures; the number of Canadians over 70 who are entitled to CPP benefits but who are not receiving them. The minister took these questions as notice. When might I receive a response?

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** Honourable senators, I will make inquiries as to where the responses are to her questions.

I made the point, perhaps in a question from the honourable senator but perhaps from someone else that there has been a vast improvement in the ability of the government to capture within the system people who are eligible through Service Canada. Service Canada has done an excellent job over the past few years of providing information to seniors and directing them to the proper places to apply for benefits they might be eligible for.

As honourable senators know, not only does Service Canada have offices all over the country but also mobile offices that travel to more remote areas.

I will make inquiries as to when Senator Callbeck may expect an answer.

## FINANCE

## SOCIAL HOUSING

**Hon. Catherine S. Callbeck:** Honourable senators, when the Leader of the Government in the Senate checks on the status of that response, I ask that she check on another.

On February 4, 11 weeks ago, I asked her about the long wait list for Canada Mortgage and Housing Corporation's Residential Rehabilitation Assistance Program, or RRAP, as well as the Emergency Repair Program. Both programs have unacceptable wait times in my home province of Prince Edward Island. The average wait time for the homeowner RRAP is six to seven years, while those in need of emergency assistance wait two years before help arrives. The honourable senator indicated she would provide the available information, including how the budget figures were decided on these programs. When might I expect a response?

• (1420)

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** Honourable senators, I will look into that question as well and ascertain when the honourable senator might expect an answer.

## INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

LOCATION OF PROPOSED  
NORTHERN DEVELOPMENT AGENCY

**Hon. Charlie Watt:** Honourable senators, yesterday the government provided a delayed answer to Senator Sibbeston's question of March 5, 2009, about the location of proposed northern development agency.

The government acknowledged that it plans to build an office in three territories and in the National Capital Region. Is the government excluding Nunavik, Northern Quebec, from being part of the northern development plan?

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** Honourable senators, the question was specifically about the location of the various northern development offices. I will not extrapolate for a moment from that answer that the location of the office excludes one particular region of the country. I do not believe it will.

**Senator Watt:** Honourable senators, does that mean that we will be part of the Arctic strategy?

**Senator LeBreton:** Honourable senators, I said that the location of the offices for the northern economic development initiative should not impede in any way the ability of any area of the North to take advantage of this plan. I do not think the location of the office excludes anyone, but I will make further inquiries as to the mandate and the types of programs the new northern development agency plans to embark upon.

## SCIENCE AND TECHNOLOGY

## FUNDING

**Hon. James S. Cowan (Leader of the Opposition):** Honourable senators, I want to follow up on the line of questioning of my colleague, Senator Eggleton.

A misunderstanding exists between us as to what we are dealing with here. We and, I believe, the whole scientific and university community appreciate the amount of money that this government has invested in physical infrastructure. That investment is welcome.

However, the question is one of balance. The concerns that have been expressed to me, and, I am sure, to Senator Eggleton and others, probably on both sides of this house who have had the opportunity to speak to people engaged in research in the country, relate to the question of balance. Senator Eggleton mentioned a concern about the cutbacks in funding for basic research. On a number of occasions, I brought to the attention of the minister the lack of funding for the operational expenses of existing labs that will be refurbished and the new labs that will be built under the proposals and funding made available by the government.

The question is not whether what the government has proposed is bad; it is about whether the balance is out of whack. I urge the minister to look at the funding herself and discuss the issue with her colleagues. Perhaps she has not taken as seriously as I suggest she might the quotations that Senator Eggleton read from a letter of 2,000 leading scientists to the government, urging a reconsideration of this issue. I urge the leader to look at that letter. There may be some people in the country who think that the government has it precisely right. I have not spoken to any of those people, and I urge the minister to look at the letter not as a criticism of what the government has done, as much as an urging on behalf of people who deal with this matter on a day-to-day basis to see if we can achieve the proper balance. Without a rebalancing, we will fall behind in the areas of operational expenses for existing and new labs and in the funding of basic research, and if we have not lost people in those areas to other countries, we surely will.

• (1425)

**Hon. Marjory LeBreton (Leader of the Government and Minister of State (Seniors)):** I understand what the honourable senator is saying when he refers to government cuts. The government has significant amounts of money set aside for research and development in the science and technology area. The government is investing funds in areas where we believe that money should be invested. It has reallocated certain funds.

The honourable senator's question about the balance is a fair question. I would be very happy to get a more detailed answer for the honourable senator in terms of how we see that balance. Although Senator Cowan may not agree, we believe that we have done a good job of capturing this new and emerging area of scientific research.

Honourable senators, I will be happy to make a case for how we see placement of the monies. Senator Keon gave a speech in the Senate not long ago about some initiatives that the government

has taken that have been applauded by many researchers. I could read a list of doctors, researchers and scientists that applaud what the government is doing because they are working in an area that heretofore has not received government funding.

Senator Cowan, your question is fair. There are rapid changes in the fields of science and technology and research. In fact, the horizons change almost daily. I have been preparing some notes to respond to the comments made by the honourable senator in the Senate to make that very case.

I repeat that I would be happy to do that because the question is a legitimate one. However, whatever the issue may be, this government was elected on a certain platform. We had certain programs and plans for government. It does not necessarily mean that every plan and program of a previous government, by virtue of its existence, is something to which this government would give a priority. That is the government's prerogative. However, to say that there have been cuts and that both the scientific community and the research and development community in Canada are suffering is quite unfair. I will be happy to sit down with both Minister Clement and Minister Goodyear to make a case for why we think we have it right and how to respond to people who feel that we do not.

[Translation]

#### DELAYED ANSWERS TO ORAL QUESTIONS

**Hon. Gerald J. Comeau (Deputy Leader of the Government):** Honourable senators, I have the honour to table two answers to oral questions raised by Senator Carstairs, on March 11, 2009, concerning industry, measures to retain professionals in Canada, and by Senator Banks, on March 11, 2009, concerning industry, decision-making process and granting councils.

#### HUMAN RESOURCES AND SKILLS DEVELOPMENT

##### RETAINING PROFESSIONALS

*(Response to question raised by Hon. Sharon Carstairs on March 11, 2009)*

Canada is a world leader in terms of its support for post-secondary research. We rank first in the G7 and second (after Sweden) among the 30 OECD countries in terms of higher-education R&D expenditures as a percentage of GDP.

To demonstrate its commitment to maintaining this strong record, the federal government invested over \$2.2 billion in new funding for science and technology in the past three budgets. And a further \$5.1 billion has been invested through Budget 2009, with a special focus on building S&T-related infrastructure.

Past investments include significant new funding to the Granting Councils for their core programming — a total of \$205 million per year in Budget 2006, 2007 and 2008. These increases are cumulative, representing ongoing, permanent increases in core funding.

[ Senator LeBreton ]

In addition to increased funding for core research, the government has established several new programs aimed at developing, retaining and attracting world-class researchers.

Of note in this regard are a suite of new programs that emphasize international research excellence — such as the Canada Excellence Research Chairs, the Vanier Canada Graduate Scholarships Program and the Centres of Excellence for Commercialization and Research.

Funding has also been maintained or enhanced for well-established programs that have had a major impact on our ability to attract and retain scientists — including the Canada Research Chairs program, and the Canada Foundation for Innovation.

Although Statistics Canada does not have recent statistics on emigration of knowledge workers such as scientists, previous survey data indicated that in the 1990s, Canada's immigration rate was not high by historical standards while Canada's emigration rate had never been lower (*Education Quarterly Review, 2000, Vol. 6, no. 3, Brain drain and brain gain, Statistics Canada*). More recent statistics on the phenomena are to be released by Statistics Canada but based on preliminary analysis, the organization indicated that since 2000, the overall emigration flow toward the United States has declined (based on *American Community Survey*).

#### FINANCE

##### BUDGET 2009

*(Response to question raised by Hon. Tommy Banks on March 11, 2009)*

The Social Sciences and Humanities Research Council of Canada (SSHRC) and the Natural Sciences and Engineering Research Council of Canada (NSERC) award funding through a rigorous peer review process. The process involves a review of proposals by impartial Canadian and international experts in the relevant field(s), and adjudication by expert committees that make funding recommendations to the councils. Peer review is based on the principle that expert peers are best placed to evaluate the scholarly or scientific quality and relevance of a research proposal. It ensures that the process of adjudication remains as independent and objective as possible.

The Independent Blue Ribbon Panel on Grant and Contribution Programs, established by the President of the Treasury Board Secretariat, noted that the councils support research “through a well-developed system of peer review-based research grants that has been generally praised by the recipients of this funding” (*From Red Tape to Clear Results*, December 2006, page 7).

##### Natural Sciences and Engineering Research Council

NSERC operates within a framework of:

- programs with clear selection criteria, developed in consultation with the Canadian research community, in the context of the present and future challenges

facing the Canadian post-secondary research system, and in light of Canada's needs and government priorities; and

- a rigorous process of peer review for awarding funding within the programs.

Applicants typically submit the following information in their grant applications:

- the proposed research;
- career achievements of the individual and/or team;
- contributions to the training of highly qualified personnel;
- an itemized budget;
- an outline of the contribution to be made by industrial and other partners, if applicable; and
- for very large projects, a description of the management structure.

The practice of basing all decisions regarding the awarding of grants or scholarships on the results of a thorough assessment of detailed proposals by experts in the field is fundamental to NSERC's values, risk management, stewardship, and accountability.

In 2007-08, approximately 13,000 experts acted as referees and provided detailed, written evaluations of the merit of applications to NSERC. In addition, more than 800 experts from universities, government and industry, from Canada and around the world, participated as members of NSERC's peer review committees.

NSERC research programs include among their selection criteria: the excellence of the applicant and any co-applicant and the merit of the proposal. The following provides a selected list of NSERC Programs and the main headings of their selection criteria:

- The Discovery Grants Program: scientific or engineering excellence of the researcher; merit of the proposal; contribution to the training of highly qualified personnel; and need for funds.
- Collaborative Research and Development (CRD) Grants: scientific merit; research competence; industrial relevance; private-sector support; contribution to the training of highly qualified personnel; and benefit to Canada.
- Strategic Networks Grants: merit of the research proposal; need for a network approach; interactions and partnerships; training; management and budget; and benefits to Canada and the partners.

### Social Sciences and Humanities Research Council

SSHRC's core programs have a two-stage peer review process:

- Applicants submit detailed research proposals that are evaluated individually by external assessors outside SSHRC who are experts in the relevant field or fields of research.
- The research proposals are then collectively reviewed in adjudication committees made up of other experienced researchers. The adjudication committees then recommend to SSHRC which proposals to fund, based on the highest standards of academic excellence and other criteria, including the importance of the proposed work to the advancement of knowledge.

SSHRC's adjudication committees are comprised of Canadian and foreign university-based researchers and, where appropriate, experts from outside the academic community. Each year, between 400 and 500 Canadian and international scholars and experts agree to serve on these selection committees on a voluntary basis. Together, they assess over 12,000 research and fellowship proposals and make recommendations about which projects to fund. About 5,000 other Canadian and external assessors provide written assessments of proposals to help the selection committees in their decision-making.

In the fall of 2008, SSHRC commissioned an independent Blue Ribbon Panel assessment of the quality of its entire peer-review practices, from selecting reviewers to developing policies. Aimed at ensuring SSHRC's continued position as a world leader in the expert evaluation of proposals, the independent Blue Ribbon Panel comprised a group of international experts in peer review.

The Panel submitted its final report, *Promoting Excellence in Research — An International Blue Ribbon Panel Assessment of Peer Review Practices at the Social Sciences and Humanities Research Council of Canada*, to SSHRC management last December. The report concludes that SSHRC's peer-review system is "up to the best practices and highest international standards."

The report's conclusions were drawn from an extensive documentation review, an online survey of members of the humanities and social sciences community, and more than 50 interviews carried out with reviewers, program officers and SSHRC management. The panel also took into account experiences in the American, Australian, British and German peer-review systems.

SSHRC's evaluation criteria are tailored to accommodate program policy objectives of its suite of programs: Standard Research Grants, Strategic Programs and Joint Initiatives (SPJI), and Fellowships and Scholarships.

Standard Research Grants have two key criteria for evaluation: record of research achievement and program of research. Evaluation is also tailored to the stage of the applicant's career, noting whether he/she is a new scholar or an established researcher.

SPJI uses specific criteria to measure elements: research partnership, research outcomes, relevance to research priorities, and knowledge mobilization plans.

Postdoctoral Fellowships Evaluation is based on six criteria: fellowships, scholarships or other awards obtained; previous research experience and/or publications; the duration of the doctoral studies; originality, potential significance and feasibility of the proposed program of work; comments of the referees and of the supervisor at the intended place of tenure; and appropriateness of the intended place of tenure, evidenced by the university nomination form.

Evaluation criteria for SSHRC and Joseph Armand Bombardier Canada Graduate Scholarships for Doctoral candidates are: academic results; program of study; professional and academic experience; letters of appraisal (2); and a departmental appraisal (Canadian universities only).

Evaluation criteria for Joseph Armand Bombardier Canada Graduate Scholarships for Master's students are: academic excellence, research potential, and communication skills.

Liechtenstein, Norway, Switzerland), the Agreement on Agriculture between Canada and the Republic of Iceland, the Agreement on Agriculture between Canada and the Kingdom of Norway and the Agreement on Agriculture between Canada and the Swiss Confederation.

**Hon. Jeremiah S. Grafstein:** Honourable senators, I am pleased to rise to address Bill C-2. The principle of this bill can be summed up in three words: diversity of trade. As honourable senators know, I am and have been a fervent and persistent advocate of expanding our trade relationships with the United States. Indeed, the Canada-United States Inter-parliamentary Group, which I have co-chaired for over a decade, has been an impassioned advocate for expanding the number of consul generals across America that could facilitate trade in key regional cities. I understand the number is now at least 17.

However, I am, as we all should be, an economic realist. Our two-way trade with the United States, indeed, is the largest in the world — over \$1.5 billion a day based on figures over a year ago — but has been lagging and continues to lag due, in no small measure, to the economic problems facing the United States and, as a consequence, Canada.

We all know now, and we all hear, the drumbeats of protectionism arising in the administration of the United States and in Congress. In particular, we note the highly protectionist buy-American provisions that are at play at the state and municipal levels across the United States.

Canada is an anti-protectionist nation. Canada is a trading nation. Our growth and prosperity depends on trade. Fifty per cent of our jobs are directly and indirectly tied to trade. It is not inconsistent but strategic that Canada should actively seek to diversify its trade as we have become much too dependent on one big customer. That is bad economics. That is bad business.

We need a two-track strategy: The first track to continue our activities and our bilateral relationships on the trade front with the United States and to fight off the protectionist sentiments arising there; and the second track we need at the same time to diversify our trade with other trading nations.

Diversity of trade, any economist or astute businessman will tell you, is the key to sound economic growth. Hence, my constant advocacy is to expand free trade agreements to Europe, South America, the Mediterranean Basin and beyond to Asia, Australia and New Zealand. Each agreement must be fair and each agreement must be reciprocal.

Therefore it comes as no surprise, honourable senators, that I agree with this bill to implement a free trade agreement of goods with the European Free Trade Association, EFTA, composed of Norway, Iceland and Switzerland, noting that Liechtenstein is covered by the Canada-Switzerland agreement.

By the way, honourable senators, I have had the privilege of reading the treaty. I have it here. It is an interesting document. I commend it to honourable senators for night-time reading.

[English]

## ORDERS OF THE DAY

### BUSINESS OF THE SENATE

**Hon. Gerald J. Comeau (Deputy Leader of the Opposition):** Honourable senators, I wish to reverse the order in which the government bills are called so that we will start with Item No. 3 rather than with Item No 1. The rest will remain in their current place.

• (1430)

### CANADA-EFTA FREE TRADE AGREEMENT IMPLEMENTATION BILL

#### SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Andreychuk, seconded by the Honourable Senator Dickson, for the second reading of Bill C-2, An Act to implement the Free Trade Agreement between Canada and the States of the European Free Trade Association (Iceland,

[ Senator Comeau ]

Under this treaty, the full implementation of the reduction of tariffs is too slow and does not go far enough to cover services and a wider range of agricultural products. Our farmers are amongst the most, if not the most, competitive farmers in the world, and they can compete. However, for them to compete, they need open markets and reduced tariffs.

Shipbuilding has the longest tariff phase-out of any agreement with the developed nation under this treaty; 15 years for the most sensitive vessels and 10 years for other sensitive vessels, with no tariffs whatsoever for the first 3 years. We must take a look at shipbuilding in Canada, we must help our shipbuilders become more competitive, and we should be able to compete in less than 15 years against the major shipbuilding competitors such as Norway. Canada is a seafaring nation.

EFTA nations are the world's fourteenth largest merchandise traders and Canada's fifth largest merchandise export destination. Two-way trade for non-agricultural products is \$12.6 billion. In 2007, Canada's exports to EFTA totalled \$5.1 billion ranging from minerals to pharmaceuticals to medical devices and even to auto parts. Canada's imports from EFTA in 2007 totalled \$4.7 billion, which included pharmaceuticals, organic chemicals, machinery, medical instruments, clocks and watches.

Canada's direct investment in EFTA in 2006 was \$8.4 billion and EFTA's direct investment in Canada was \$15.6 billion. Surely, Canada should invest much more rapidly in the EFTA states, which are on a comparative basis in terms of our social system and our cost structure.

Honourable senators, it is clear that this negotiation that started with the Chrétien government in 1998 and was finally concluded on January 26, 2008, is too slow. The process is too slow. We need more political will to accelerate free trade agreements, and hopefully, they will include not only goods but services as well. In my belief, value-added services are where Canada should target our exports.

Of special interest to me, and it should be to honourable senators on the other side, is the dispute resolution mechanism incorporated in this treaty and in this bill. If there is any flaw in the FTA and NAFTA, it lies in the slow, cost-ineffective resolution mechanisms to trade disputes. This chamber is most familiar with the range of disputes that have arisen from the Free Trade Agreement, FTA, and with NAFTA. We have been involved on both sides. It is absolutely clear that dispute mechanisms under those treaties are slow, laborious, costly, unproductive and at times vexatious.

Indeed, I recall that on the softwood lumber case I was told that over \$1.5 billion of legal fees was involved in trying to settle the softwood lumber dispute. That is simply not acceptable. There must be a more cost-effective way of dealing with these trade disputes.

Accordingly, I believe it is important for the committee charged with reviewing this bill to determine if the dispute mechanisms in this free trade agreement are an improvement from the FTA and NAFTA. On my reading, I believe they are but I think they require comparative examination.

Let me repeat some of the important provisions of this bill to which the committee should pay special attention: agricultural products, the service issue, the long tariff phase-out for shipbuilding, and the dispute mechanism provision. There are other more inconsequential measures in which the committee might be interested as well, but that can be dealt with there.

Honourable senators, let us admit it: Canada has been too slow, too passive, and too inactive on this file. Our free trade negotiations with Europe — and remember, this file includes only a small portion of Europe — have been slow and laborious. We should require the Minister of International Trade to report to us quarterly on progress on this dossier and each and every free trade agreement negotiation.

I understand that the department has been actively engaged in several other agreements that are almost ready to be adopted. We should urge them to continue as soon as possible. This is economic war, and economic war requires priorities. One of the priorities for Canada is more and better free trade agreements.

Indeed, on the Order Paper, honourable senators will see a resolution that I helped craft at the Organization for Security and Co-operation in Europe Parliamentary Assembly, calling for wider transatlantic trade with Europe and the regions of Europe. I wish that honourable senators who are interested in this question would read that resolution, participate in debate, and hopefully convince our colleagues that this resolution should be adopted as soon as possible.

I point out this responsibility to new senators: The Senate can act and should act as a goad to government, any government, and to bureaucracies to get off their asses and move quickly. Time is of the essence. The economy needs new markets. Our farmers and manufacturers need new markets. We need these new markets as soon as possible to offset the ravages of recession.

We have learned that free trade agreements benefit Canada. They create jobs and investments, and accelerate competitiveness and productivity. I hope the committee will give this bill a quick but thorough review and clarify some of the issues I have raised in support of this bill on second reading.

• (1440)

Honourable senators, let me conclude, as I am wont to do, with a little historical context.

My great hero is Sir Wilfrid Laurier, whose statute stands at the corner of the East Block. I salute him every day when I come from the Chateau Laurier to my office. You will recall in 1911 that he lost the election and the premiership on the question of reciprocity, and free trade with the United States.

In 1911, Sir Wilfrid Laurier said:

Our policy has been, is and will be, so long as the Canadian people continue to place us in the confidence . . . to seek markets wherever markets are to be found.

In 1964, Lester Pearson said this at the Royal York at an Empire Club meeting:

There may be a spectacle perhaps nobler yet than the spectacle of a united continent, a spectacle which would astound the world by its novelty and grandeur, the spectacle of two peoples living along a frontier nearly 4,000 miles long, with not a cannon, with not a gun frowning across it, with not a fortress on either side, with no armament one against another, but living in harmony, in mutual confidence, and with no other rivalry than a generous emulation in commerce and the arts of peace.

Mr. Pearson went on to say:

No country depends more on other countries for its prosperity than Canada.

Brian Mulroney should be given credit for his leadership on the Free Trade Agreement and on NAFTA. In 1984, he said:

Our purpose is noble, our course is clear. . . .

Trade is Canada's life blood. Our objective is to strengthen Canada's stature as a first-class world trader.

In 1995, Jean Chrétien said this at a forum in Halifax, Nova Scotia:

Our government firmly believes that liberalized trade is the most effective international lever that exists for promoting jobs and growth. Our countries depend on exports. Our future prosperity is tied to the ability of others in other nations to buy what we produce. That is why trade has been — and will continue to be — such an important priority for us. Nor is it a priority only for our country or for the G-7 or industrialized economies. It is a priority for all nations.

Honourable senators, if I can indulge you for a few more minutes, I want to talk about recent events in the United States this past weekend.

We heard that the Obama administration has finally said that they will leave NAFTA alone, for now. The new trade special representative, who I believe is a free trader, has agreed. The question of reopening NAFTA, which would have had negative consequences in the United States, Canada and Mexico, is closed, for now.

The Secretary of Homeland Security is the Honourable Janet Napolitano, former governor of Arizona, and known to me and others in this chamber. On the same weekend, she said that our border — the border I referred to as the longest undefended border in the world — is now no longer the same.

For the first time in my lifetime, I have heard a leading member of an American administration say that, effectively, the border is not the same. There will be no more business as usual. As a matter of fact, the U.S. will be tightening and thickening elements along the border. Why? It is because of a canard. What is the canard? That canard is that Canada is a home of terrorists.

Honourable senators will recall that when 9/11 occurred, Canada was the first country in the world to bring in a strong anti-terrorist act. It was enacted specifically to tell the Americans and to tell the world that Canada was no place for terrorists. We have been effective in creating legislation against terrorism; yet the Americans are not listening to us.

One of the mandates of our Canada-United States Inter-Parliamentary Group executive that meets tomorrow morning is to go back to the United States and, one by one, talk to every congressman, every senator, every member of the administration, and indeed each governor, to tell them that perception is wrong and to try to correct the record.

I believe truth will ultimately win out. However, we must start all over again. Each honourable senator who meets counterparts in the United States must become an advocate against this canard that Canada, in any way, shape or form, can possibly be a resting place for terrorists and terrorism. It is not true and not factual. We have to correct the record.

It is clear to every student of economics who has studied the major depression in the United States that trade barriers did not alleviate the 1930s depression in the United States; they made it worse. The Smoot-Hawley bill, which was a protectionist measure introduced by a senator and a congressman made the depression worse. Protectionism is the key to greater recession. It is the gateway to greater depression. We must stop that trend.

By the way, others in America agree with us. *The New York Times* on March 23, 2009, had a long article entitled "Trade Barriers Rise as Slump Tightens Grip." The article says:

The most vivid example of that policy is the "Buy America" provision in the stimulus package, intended to ensure that only American manufacturers benefit from the public-spending projects. The Obama administration persuaded Congress to water it down, and Mr. Obama has taken up Mr. Bush's warnings about the dangers of protectionism.

However, they have not gone far enough. I urge honourable senators to read the article. It concludes:

"The U.S. is in such great danger of backing away from free trade," said Kenneth S. Rogoff, a professor of economics at Harvard. "The next two years could be a disaster for free trade."

Finally, honourable senators, on March 17, 2009, a press release arising from the G20 meeting, said:

Since G-20 leaders signed a pledge in November 2008 to avoid protectionist measures, several countries, including 17 of the G-20, have implemented 47 measures that restrict trade at the expense of other countries, a new World Bank study shows.

I urge honourable senators to obtain and to read that study, because many honourable senators will travel to Europe. Many will travel to those countries that have triggered protectionist elements.



The press release quoted World Bank Group President, Robert B. Zoellick, a great American and who was a free trade representative under the Bush administration. He said:

Leaders must not heed the siren-song of protectionist fixes, whether for trade, stimulus packages, or bailouts. Economic isolationism can lead to a negative spiral of events such as those we saw in the 1930s, which made a bad situation much, much worse.

I urge honourable senators to read that study. I will conclude with this paragraph from the release:

The study notes that several factors have clearly muted protectionist pressures and distinguish this global downturn from the pressures of the 1930s. Countries are far more interdependent through supply chains, imported inputs, and even services. Export interests are far more powerful than before relative to pure import-competing industries. Producers for the domestic marketplace are more reliant on imported inputs, and production chains link global markets through a web of trade in parts and components. The simple average of trade-to-GDP today is 96 percent compared to 55 percent in 1970 — and parts and component trades, an indicator of supply chains, has more than doubled as a proportion of total trade.

The case for free trade is clear and unequivocal. Canada can no longer depend on NAFTA; it can no longer depend on the United States. While agreeing to leave NAFTA alone for now, as I have said, the Secretary of the Department of Homeland Security will bring about counterproductive measures dealing with the border that will inhibit free trade.

• (1450)

We must move on this free trade agreement and we must move on other such agreements. We must urge the government to move as quickly as possible to diversify our trade and open up new and lush markets for our Canadian exporters.

Honourable senators, I urge the support of this bill. It has some problems in it. The committee should examine it, but we cannot afford to delay this measure.

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

**Hon. A. Raynell Andreychuk:** I was thinking of moving that the bill be referred to committee.

**Hon. Mac Harb:** Honourable senators, if you will recall, I wanted to speak on this bill. However, because my colleague Senator Grafstein is the critic, I deferred to him. If there is no urgency that this bill be referred to committee, I would speak tomorrow. However, if there is a sense of urgency, I do not mind saying a few words today.

It is said that “the devil is in the details.” If one were to read the bill itself, it is, on the surface, an extremely commendable initiative to expand free trade between Canada and all of its partners around the world.

However, the issue that bothers me in this bill is that, notwithstanding the fact we already have agreements with those countries, we still require specific agreements with each one of those countries on the issue of agriculture. This is not a simple matter. Simply put, this is an indication of the failure of the trading system on the international scene. This is an insult to developing countries around the world. Since the General Agreement on Trades and Tariffs was signed years ago, developing countries have been calling over and over on developed countries to open their markets to exports from developing countries.

What have we done? Country after country has continuously put stumbling blocks in front of the World Trade Organization in order to block any kind of agreement on the Doha Round. It is absolutely embarrassing that developed countries have not been able to come to their senses. In this day and age we have to bring down borders and open markets rather than put up barriers that do not allow developing countries to export their products to developed countries.

Honourable senators will be interested to know that agricultural subsidies in the United States alone exceed US\$150 billion on an annual basis. If we consider the subsidies provided by Canada, Japan, the United States, as well as Europe, those four trading blocs account for more than the gross domestic product of Africa and Latin America combined. That is an absolute embarrassment, something we should not be proud of.

As a country that prides itself on the notion of fairness and on being a leader in the international scene, one would suspect that this government, as well as previous and future governments, would stand up and be counted internationally in an effort to bring those other offenders to their senses. I include Canadians among those offenders, as well as the Americans, the Japanese and the Europeans. In doing so, we can ensure that the trading system is fair to all of the players.

About three or four years ago, in Mali, there were farmers who were taking their cows to the market to sell them. The milk from those cows was the only source of income to support their families. When they took the milk to sell it at the market, they were not competitive, so they were not able to support themselves. What happened to the farmers? They moved away from the rural areas and into the municipalities and cities.

What have we done? As a result of our subsidies, both direct and indirect, we have caused harm to the least developed countries in Africa. We continue to cause harm in developing countries that cannot sell their products to developed countries.

I would submit that the World Trade Organization, as an institution, has not been able to resolve this issue. Canada needs to push the agenda now on another front, which is either through the OECD or the G20. The Leader of the Government in the Senate can take that suggestion to her colleagues.

Simply put, the fora we have been playing in are not working. A WTO that functions on the basis of consensus will not happen. Why not? It will not happen because the number one and number two leaders at the WTO are Pascal Lamy from Europe and a

deputy from the United States. That is a conflict right there. That will not work. This matter has to be taken out of their hands completely — out of the secretary's hands and away from the WTO — and put in another forum.

I would submit that the OECD is probably the place to put it. Ask the OECD to convene an international conference of sorts whereby they would bring together the main offenders. By "offenders," I mean the main players — the ones who are guilty. These are the United States, Canada, Japan, as well as the European Union. Bring them to the table with those who have been playing a leadership role on behalf of developing countries — mainly Brazil, India, as well as China — and have a head-to-head, frank discussion so that we can be honest with ourselves. We have to be serious about moving forward, opening trade and supporting the international trading system. Only then can we bring about solutions. It is only then that agreements and bills such as this will make a lot of sense.

Honourable senators, this bill will not bring millions of dollars to the coffers of the Government of Canada. Over 95 per cent of products, as things stand according to WTO rules, go to those countries and come to Canada without any kind of a penalty. We are talking about a small percentage of products that may have some sort of an implication.

In the end, the principle of the matter is involved here. If we want to bring about a better world and a better community, and if we want to be fair and equal in sharing our resources with others who do not have abundant resources, then we have to be frank about the fact that we are guilty. We are hypocritical on the international scene. The Americans, the Japanese and the Europeans have been doing it, as well as Canada.

It is time for us to be honest. If we want to resolve the issue of fair trade internationally, we have to be frank and fair ourselves. So far, we have not been fair, frank and honest.

We need to move forward with the agenda. We need to take this issue out of the hands of the WTO and put it in other hands. Only then might we have an honest broker to convene a conference or meeting and have a proper discussion. Until then, we can pass all the bills we want. We now have proposed agreements with Caribbean countries. We are proposing an agreement with Latin America. We have proposed agreements with Columbia, South Korea and other countries. All those agreements are meaningless unless the fundamental issues are resolved — that is, market access and agriculture.

That is what you wanted to do. If you do not want to do that — if they are not interested in giving up this issue — we need to be frank. The whole trading system has to change to the point where we will say, "Let us stop talking about agricultural and market access." Let us allow each individual country to identify one national product that we call a "national product" because it deals with national security issues. We do not want to open our doors to that product. Call it whatever you want to call it. If we do that and are honest about it, we might have a trading system that will work.

You cannot have it both ways. We cannot really walk in the corridors of those conferences and say we are honest and serious about having a proper, workable, functional trading system. It is not proper, workable or functional. It is not working.

[ Senator Harb ]

• (1500)

I do not want to block this bill; I would like to see it go to committee. It is my hope that my colleagues on the government side will take it back and see whether the Minister of International Trade will push forward for this kind of a conference, because it has gone on for way too long.

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

**Hon. Senators:** Question.

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

(Motion agreed to and bill read second time.)

#### REFERRED TO COMMITTEE

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

(On motion of Senator Andreychuk, bill referred to the Standing Senate Committee on Foreign Affairs and International Trade.)

#### CUSTOMS ACT

##### BILL TO AMEND—THIRD READING— DEBATE ADJOURNED

**Hon. David Tkachuk** moved third reading of S-2, An Act to amend the Customs Act, as amended.

He said: Bill S-2 amends provisions of the Customs Act to support the government's strategy to strengthen security and facilitate trade. This bill is necessary in order to fully implement two key programs already approved and funded by the government.

The first component of this bill involves provisions requiring the provision of advanced information on commercial shipments. This will allow the Canada Border Services Agency to better target high-risk shipments while streamlining the entry of low-risk shipments.

The second component of this legislation will allow CBSA officers to question and examine persons within customs controlled areas such as those at our international airports, marine ports and land border crossings. Currently, officers can only question persons and examine items as they leave customs controlled areas. This presents a problem because obviously most internal conspiracies to move contraband across our borders are carried out in areas out of sight of officers and away from exit points.

The current law also requires all persons to present themselves to an officer for examination whenever they leave a customs controlled area. Bill S-2 requires that persons present themselves for examination only if and when requested to do so by a customs

officer. This makes allowances for the fact that domestic workers may, in the conduct of their duties, be required to enter and exit a customs controlled area continually throughout their shift.

The Standing Senate Committee on National Security and Defence heard excellent testimony on Bill S-2 from stakeholder groups, including the Canadian Airports Council, the Canadian Manufacturers & Exporters, the Canadian Truckers Alliance, the Office of the Privacy Commissioner, the Canada Border Service Agency and, of course, the minister. The testimony we heard was constructive, insightful and generally positive.

Jim Facette of the Canadian Airports Council, who was a strong supporter of this legislation, said it best when he said,

. . . the reforms are overdue and essential to modernize the provision of border services in Canada for the 21st century. They will improve both efficiency of border services and the security of our nation.

I urge all honourable senators to move quickly and complete the implementation of this bill.

**Hon. Joseph A. Day:** I have a question for the honourable senator.

I would like to refer Senator Tkachuk to the debate at second reading, and a question that was put to him at that time. The question, which was by Senator Segal, is as follows:

I have a supplementary question. I notice the act is not being introduced notwithstanding the Charter of Rights and Freedoms. I assume that the law officers of the Crown have reviewed the contents and determined that no contents of this bill inadvertently or otherwise violate the Canadian Charter of Rights and Freedoms or imposes undue rights of search and seizure in a fashion that violates the rights of Canadian citizens. Can the honourable senator undertake that the written opinions provided by the Attorney General to his colleague, the minister, might be shared with this chamber or the appropriate committee when the time comes, so members can be reassured on that front?

Answer by Senator Tkachuk:

Honourable senators, I cannot undertake it, but I will forward the question to the minister.

Could the honourable senator let us know what response, if any, he has received?

**Senator Tkachuk:** I should have known at the time that before a bill is introduced, every minister undertakes that it is Charter proof and signs off on the bill.

**Senator Day:** The question refers to the honourable senator's response: "I cannot undertake it but I will forward the question to the minister." Is this the answer the honourable senator received from the minister?

**Senator Tkachuk:** No, it is not; it is my answer.

**Senator Day:** Does the honourable senator want us to vote on third reading without having that information?

**Senator Tkachuk:** Honourable senators, I did answer the question. Ministers do undertake to sign off on each bill and ensure that it is Charter proof. Outside of that, there is not much more we can do.

**Senator Day:** The question that was put to the honourable senator at second reading is that he provides this chamber with a copy of the written opinions of the Attorney General to his colleague, the minister. That was the question put to him. He undertook to put that to the minister, so I am asking him now what the answer is to that request that we receive the Attorney General's assurance that the Canadian Charter of Rights and Freedoms is not violated, as was requested by Senator Segal.

**Senator Tkachuk:** I have nothing more to add than what I have already stated.

**The Hon. the Speaker *pro tempore*:** Continuing debate. Do you wish to speak, Senator Day?

**Senator Day:** I want to understand the answer. Was the request for the written opinion of the Attorney General made and are we to anticipate receiving that?

**Some Hon. Senators:** Question.

**Senator Day:** Absolutely not. With that answer, does the honourable senator expect us to vote on third reading of this bill at this time?

**The Hon. the Speaker:** It is moved by the Honourable Senator Day, seconded by the Honourable Senator Banks, that further debate on this item be continued at the next sitting of the Senate. Is it for the remainder of Senator Day's time?

**Senator Day:** I was asking a question. I had not started yet.

**The Hon. the Speaker:** I am sorry.

It is moved by the Honourable Senator Day, seconded by the Honourable Senator Banks, that further debate on this item be continued at the next sitting of the Senate.

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

**Some Hon. Senators:** No.

**Some Hon. Senators:** Agreed.

**The Hon. the Speaker:** Those in favour of the motion will please say "yea."

**Some Hon. Senators:** Yea.

**The Hon. the Speaker:** Those opposed to the motion will please say "nay."

**Some Hon. Senators:** Nay.

**The Hon. the Speaker:** In my opinion, the nays have it.

*And two honourable senators having risen:*

**The Hon. the Speaker:** Do we have agreement from the whips?

**Senator Stratton:** One hour.

**The Hon. the Speaker:** Could the whips make it more explicit; is it a one-hour bell?

**Senator Stratton:** One hour.

**The Hon. the Speaker:** Honourable senators, this is a Wednesday. By house order, we rise at four o'clock. When a vote is called and a one-hour bell is in force, the vote will take place at 10 minutes past four o'clock.

Call in the senators.

• (1610)

**The Hon. the Speaker:** Honourable senators, the question is on the motion of the Honourable Senator Day, seconded by the Honourable Senator Banks, that further debate on the motion for third reading of Bill S-2 be adjourned to the next sitting of the Senate.

Motion agreed to on the following division:

YEAS  
THE HONOURABLE SENATORS

Atkins	Hervieux-Payette
Bacon	Hubley
Baker	Jaffer
Banks	Joyal
Bryden	Losier-Cool
Callbeck	Lovelace Nicholas
Campbell	Mahovlich
Chaput	Massicotte
Cook	Mercer
Corbin	Merchant

Cordy  
Cowan  
Dawson  
Day  
De Bané  
Dyck  
Eggleton  
Fairbairn  
Furey  
Goldstein  
Grafstein  
Harb

Milne  
Mitchell  
Moore  
Munson  
Peterson  
Poy  
Robichaud  
Rompkey  
Smith  
Tardif  
Watt  
Zimmer—44

NAYS  
THE HONOURABLE SENATORS

Andreychuk  
Angus  
Brown  
Champagne  
Comeau  
Di Nino  
Dickson  
Duffy  
Eaton  
Fortin-Duplessis  
Gerstein  
Greene  
Housakos  
Johnson  
Keon  
Lang  
LeBreton  
MacDonald

Martin  
Meighen  
Mockler  
Nancy Ruth  
Neufeld  
Nolin  
Oliver  
Prud'homme  
Raine  
Rivard  
Rivest  
Segal  
St. Germain  
Stratton  
Tkachuk  
Wallace  
Wallin—35

ABSTENTIONS  
THE HONOURABLE SENATORS

Nil

(The Senate adjourned to Thursday, April 23, 2009, at 1:30 p.m.)



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