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OFFICIAL REPORT (HANSARD)

Thursday, December 1, 2011

The Honourable NOËL A. KINSELLA Speaker

This issue contains the latest listing of Senators, Officers of the Senate and the Ministry.

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THE SENATE

Thursday, December 1, 2011

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

Prayers.

SENATORS' STATEMENTS

UNITED NATIONS CONVENTION ON CLUSTER MUNITIONS

THIRD ANNIVERSARY OF SIGNING

Hon. Elizabeth Hubley: Honourable senators, Saturday, December 3, marks the third anniversary since Canada joined countries from around the world in Oslo, Norway, for the official signing of the UN Convention on Cluster Munitions. The culmination of 18 months' work between civil society groups and participating states, the convention prohibits the use, transfer and production of cluster munitions, requires the destruction of existing stockpiles, and seeks to provide adequate resources to assist survivors and clear contaminated areas.

There are 111 countries that have now signed the convention, and 66 of these countries have ratified it. Although one of the first countries to sign, Canada has still not ratified the convention, which came into force on August 1, 2010.

Cluster munitions are an especially cruel, inhumane and indiscriminate form of weaponry as they are designed to inflict maximum damage over a wide area by dispersing a large number of sub-bombs. In addition to the immediate devastation they cause on impact, cluster munitions pose an ongoing threat to the local population in the form of unexploded components. As I reflect on the third anniversary of the signing of this important document, it is my hope that Canada will soon bring the required legislation before Parliament to officially ratify the convention.

PARLIAMENTARY HEARINGS AT THE UNITED NATIONS

Hon. Donald H. Oliver: Honourable senators, I rise today to call your attention to some interesting comments made by the Deputy Secretary-General of the United Nations, Dr. Asha-Rose Migiro at the United Nations in New York City on Monday. She was addressing delegates attending the two hundred and eleventh parliamentary hearings at the United Nations organized by the Inter-Parliamentary Union, of which I am the Canadian chair.

The IPU is the largest assembly of parliamentarians in the globe, with more than 160 member countries. The IPU also has observer status at the United Nations.

Dr. Migiro told the gathering that she and the Secretary-General placed great importance on strengthening the ties between the UN and parliaments in the IPU. She said that parliamentarians, through the IPU, play an influential role on the decisions of the UN Security Council. She highlighted the importance of

parliamentary diplomacy. Indeed, parliamentarians are key to fostering diplomatic relations with other nations. To quote our Speaker, Senator Kinsella:

Canadian parliamentary diplomacy must be an important complement to the diplomatic initiatives undertaken by the government in our federal political system.

In her opening remarks, Dr. Migiro also stressed the importance of accountability. She said:

Political accountability and democratic governance are inseparable. Both are essential to peace, development and human rights. As parliamentarians, you embody political accountability.

Dr. Migiro enumerated ways parliaments can promote democratic governance. She called upon parliamentarians to encourage youth to participate in day-to-day public affairs and to ensure that our populations are equally represented in Parliament. She pointed out that women account for fewer than 20 per cent of parliamentarians globally. This is 10 per cent short of the 30 per cent target set out by the UN many years ago.

She also said that "we have to do more to ensure that minority groups have seats in Parliament." This can be achieved by nurturing citizens from those groups and giving them the skills and opportunities to embark on a life of public service.

Honourable senators, Dr. Migiro stressed the importance for parliaments to confront corruption and organized crime. The Conservative government agrees. It is committed to putting the safety and security of Canadians first by adopting a number of measures to fight organized crime, such as Bill C-10.

In keeping with Dr. Migiro's recommendations, the Government of Canada also enacted new regulations last year to strengthen the ability of law enforcement to fight organized crime.

• (1340)

Honourable senators, in conclusion, this year's IPU-sponsored Parliamentary Hearing at the UN allowed parliamentarians from around the globe an opportunity to reaffirm their commitment to global accountability and to participate in parliamentary diplomacy. I was honoured to represent Canada at this important conference and to contribute to the UN's parliamentary dimension.

Thank you.

BAHA'I PEOPLE IN IRAN

Hon. Mobina S. B. Jaffer: I rise before you today to speak, once again, about the violation of the rights of Baha'is in Iran. Since I last addressed the Senate on this issue, the Iranian government

has taken yet another unprecedented step in its systemic oppression against the Baha'i minority. Its courts have sentenced seven Baha'i educators for their involvement in the Baha'i Institute for Higher Education.

This institute was founded by Baha'is in 1987 to educate the young people, who continue to be denied access to Iranian universities by official state policy. The institute operated in the open, and many of its classes were held in living rooms and around kitchen tables. Former professors, fired from their jobs because of their faith, taught young people such subjects as engineering and psychology.

In May of this year, Iranian authorities launched coordinated raids on some 39 homes and arrested 19 Baha'is. On October 18, we learned that seven Baha'i educators received jail sentences totaling 30 years.

Among those sentenced to four years in prison was Nooshin Khadem, a permanent resident of Canada and an MBA graduate of Carleton University. Nooshin came to Canada because Carleton University recognized her Baha'i Institute studies as the equivalent of an undergraduate education. She then transported her education back to Iran to teach others.

Now she is in jail for committing the "crime" of transporting her education. Two other Baha'is are still awaiting their hearings for similar crimes.

Kamran Rahimian and Faran Hesami completed their graduate studies in psychology counselling at the University of Ottawa. Upon returning to Iran, they married and had a son. They have reportedly been charged with holding "illegal" degrees, degrees they obtained in Canada.

Their two-year-old son now lives with relatives while his parents await their trial date in prison. What cruelty is this, that a government would imprison its citizens for educating others and make the process of learning a crime?

Heiner Bielefeldt, the United Nations Special Raporteur on freedom of religion or belief, said last month, in New York, that Iran's persecution of Baha'is is among the most "extreme manifestations of religious intolerance and persecution" in the world today. He went on to say, "The Iranian government has a policy of systematic persecution . . . with the view of even destroying that religion worldwide."

Earlier this month, the United Nations General Assembly condemned Iran for its serious, ongoing human rights violations. The Canadian-led resolution catalogued the wide range of abuses in Iran, and it passed by its largest margin ever this year.

Honourable senators, as a nation that upholds human rights and values religious pluralism, we must continue to stand up and directly face the threat presented by Iran to its own people. Iran may not listen today, but the Iranian people are listening. They must know that Canada stands with them and will continue to speak up for their fundamental rights and freedoms.

Honourable senators, in our government's Speech from the Throne it was stated that, in an effort to promote human rights,

our government will create a new office of religious freedom that would help protect religious minorities and promote pluralism. I ask that when our government establishes this office, we prioritize the challenges facing the Baha'is in Iran.

INTERNATIONAL DAY FOR THE ELIMINATION OF VIOLENCE AGAINST WOMEN

Hon. Nancy Ruth: Honourable senators, the International Day for the Elimination of Violence Against Women is soon upon us. The elimination of violence against women is our responsibility, both collectively and individually, both in our professional work and in our personal lives.

Did you know that violence costs the taxpayer over \$6 billion annually, according to a recent study from UBC? Think of the policing costs, the hospital costs, the social services, the shelters and the economic opportunities foregone.

Here are some statistics: Fifty-one per cent of Canadian women have experienced one or more incidents of physical or sexual violence since the age of 16; 23 per cent of female victims reported being beaten, choked, or threatened by having a gun or a knife used against them. Indigenous women are five times more likely than other women to die as a result of violence.

Some 58,500 women seek refuge in shelters across Canada every year.

Violence against women affects the ability of women to achieve equality. It is not only the physical violence against women that limits women's lives, but also the fear of violence itself. It affects women's daily lives, from how they dress, to where they go and with whom they associate.

In her most recent report, the UN Special Rapporteur on violence against women stated that inequality and discrimination were the leading causes of violence against women. Women experience economic and systemic discrimination that makes them more vulnerable to assault and less able to seek justice when violence occurs.

Violence against women continues to be a major and persistent social and economic problem in Canada. Violence prevents women from enjoying their fundamental rights. It devastates entire families and communities and impacts our health, justice and social services systems.

The Canadian government, through the Throne Speech, has reiterated its commitment to ending violence against women.

The work carried out under the Family Violence Initiative is an example of this promise. It coordinates 12 departments and agencies, with the goal to reduce violence in the family and in society generally.

I also commend the work carried out by the National Clearinghouse on Family Violence. It is a resource for all Canadians seeking information about, and solutions to, violence within the family.

I applaud the work carried out by the women's organizations across the country in defending women's rights. In this respect, Status of Women Canada provides these organizations with some of the support they need to end violence against women. This week, Status of Women Canada called for proposals for work in universities and colleges on violence against women.

As always, much work remains to be done. The latest public testimonies made by several women RCMP across Canada regarding the discrimination and harassment they suffered and the impact it had on their personal and work lives continue to be a reminder to us all.

Honourable senators, women are our mothers, sisters, wives, family and relatives. They cement our society, and I call upon all of us in the Senate and beyond, in all segments of society, to do our best in eliminating violence against women and ensuring a better future for all Canadians.

INTERNATIONAL SECURITY

Hon. Roméo Antonius Dallaire: Honourable senators, as the last of the Canadian troops are pulling out of the Kandahar combat zone today, and with the odour of demobilization or, certainly, budgetary cuts coming forward, I thought I would speak on the subject of the military, particularly security, international security and our engagement.

Central to Canada's security agenda are military forces capable of defending our country and supporting our foreign policy abroad. For many years, Canada's national defence policy has identified three core objectives: to defend Canada, to work with the United States in defending North America, and to contribute to international peace and security. Recently, Canadian troops have participated in international operations, including, of course, the coalition in Afghanistan, and peacekeeping missions as far back as the Balkans, East Timor, Ethiopia, Eritrea, Kosovo, the Congo, Darfur, Cambodia and Rwanda.

Canada now faces difficult choices about its military commitments. Since a nation's ability to influence international security decisions depends, in part, on its capacity to shoulder responsibilities, the kinds and levels of military capacity that Canada has will affect our future role in the world as one of the leading middle powers.

Increasingly, international forces are being called upon for a wide range of commitments, such as engaging in combat, restoring order, enforcing peace agreements, and protecting civilians.

The coming years are likely to see a high demand for military forces with varied capabilities. Canadians need to consider how our military can best support our foreign policy within a structured format.

Canada has long believed that military capability is only one part of a broader approach to security at home and abroad. Our human security approach — a term that is less and less used — to foreign policy recognizes that the security of states is essential but

not sufficient to ensure the safety of their citizens. It is also vital to address non-military sources of conflict that fuel social instability and create environments in which political and religious extremism can flourish.

(1350)

In view of the dangers posed by fragile and poorly governed states, the international community must work with such states to strengthen their governing institutions and judicial systems, to hold their leaders accountable and to support the rule of law. Stabilizing fragile states also requires conflict prevention and a sustained commitment to the reconstruction of states emerging from conflict.

These tasks can be assumed only if Canada acts in partnership with other governments, multilateral institutions, private sector actors and civilian societies, and in so doing reconstitutes its capabilities through a whole-of-government concept that it actually applies, funds and implements. It is time to relook at our commitments to the UN and also — if I may put a plug in — for members to rejoin the genocide prevention group that is looking specifically at the commitments of Canada in the prevention of mass atrocities by other means than purely military.

[Translation]

ROUTINE PROCEEDINGS

SPEAKER OF THE SENATE

DELEGATION TO SLOVAKIA, HOLY SEE, SOVEREIGN MILITARY ORDER OF MALTA AND ITALY, OCTOBER 14-20, 2010—REVISED REPORT TABLED

Hon. Noël Kinsella: Honourable senators, I have the honour to table, in both official languages, a revised version of a report entitled "Visit of the Honourable Noël A. Kinsella, Speaker of the Senate, and a Delegation, Slovakia, Holy See, Sovereign Military Order of Malta and Italy, October 14 to 20, 2010."

Honourable senators, is leave granted?

Hon. Senators: Agreed.

NATIONAL PHILANTHROPY DAY BILL

FIFTH REPORT OF SOCIAL AFFAIRS, SCIENCE AND TECHNOLOGY COMMITTEE PRESENTED

Hon. Kelvin Kenneth Ogilvie, Chair of the Standing Senate Committee on Social Affairs, Science and Technology, presented the following report:

Thursday, December 1, 2011

The Standing Senate Committee on Social Affairs, Science and Technology has the honour to present its

FIFTH REPORT

Your committee, to which was referred Bill S-201, An Act respecting a National Philanthropy Day, has, in obedience to the order of reference of Thursday, October 6, 2011, examined the said bill and now reports the same without amendment.

Respectfully submitted,

KELVIN K. OGILVIE Chair

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

Hon. Terry M. Mercer: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(b), I move that the bill be placed on Orders of the Day for third reading later this day.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

(On motion of Senator Mercer, bill placed on the Orders of the Day for third reading later this day.)

[English]

INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION

PRIVATE BILL—SEVENTH REPORT OF LEGAL AND CONSTITUTIONAL AFFAIRS COMMITTEE PRESENTED

Hon. John. D. Wallace, Chair of the Standing Senate Committee on Legal and Constitutional Affairs, presented the following report:

Thursday, December 1, 2011

The Standing Senate Committee on Legal and Constitutional Affairs has the honour to present its

SEVENTH REPORT

Your committee, to which was referred Bill S-1002, An Act to authorize the Industrial Alliance Pacific General Insurance Corporation to apply to be continued as a body corporate under the laws of Quebec, has, in obedience to the order of reference of Tuesday, November 29, 2011, examined the said Bill and now reports the same without amendment.

Respectfully submitted,

JOHN D. WALLACE Chair

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

Hon. Michael A. Meighen: Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(b), I move that the bill be read the third time later this day.

The Hon. the Speaker: Is leave granted, honourable senators?

Hon. Senators: Agreed.

(On motion of Senator Meighen, bill placed on the Orders of the Day for third reading later this day.)

NATIONAL FINANCE

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTINGS OF THE SENATE

Hon. Irving Gerstein: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, until December 31, 2011, for the purposes of its study of Bill C-13, An Act to implement certain provisions of the 2011 budget, as updated on June 6, 2011 and other measures, the Standing Senate Committee on National Finance have the power to sit even though the Senate may then be sitting, with the application of rule 95(4) being suspended in relation thereto.

FISHERIES AND OCEANS

NOTICE OF MOTION TO AUTHORIZE COMMITTEE TO MEET DURING SITTINGS OF THE SENATE

Hon. Fabian Manning: Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That the Standing Senate Committee on Fisheries and Oceans have the power to sit at 5 p.m. on Tuesday, December 6, 2011 and at 5 p.m. on Tuesday, December 13, 2011, even though the Senate may then be sitting, and that Rule 95(4) be suspended in relation thereto.

ORDERS OF THE DAY

RAILWAY SAFETY ACT CANADA TRANSPORTATION ACT

BILL TO AMEND—THIRD READING— DEBATE ADJOURNED

Hon. Nicole Eaton moved third reading of Bill S-4, An Act to amend the Railway Safety Act and to make consequential amendments to the Canada Transportation Act, as amended.

She said: Honourable senators, I am pleased to present to you for third reading Bill S-4, An Act to amend the Railway Safety Act and to make consequential amendments to the Canada Transportation Act.

As you may recall, I introduced this bill on November 2 with a great deal of hope and a significant amount of confidence that members of this chamber would readily recognize the national importance of these Railway Safety Act amendments.

Our railway system has been the backbone of our economy since the days of Confederation. It is timely and forward looking legislative amendments such as these that will ensure our rail industry remains a safe, secure and dependable component of our national infrastructure for many years to come.

Bill S-4 is clearly a step forward for Canada. It is a step forward for the safety of our citizens, a step forward for the well-being of our communities, a step forward for the protection of our natural environment, and a step forward for the strength of both the rail industry and our economy.

These are all things that I personally care about very strongly, and I am very happy to say that my hope and confidence of last month has been richly rewarded by the tremendous support these amendments have recently received from the members of the Standing Senate Committee on Transport and Communications, and from the many stakeholders who appeared before the committee to respond to questions and provide their views. All of them have expressed their support for a safer Canada and for this important bill.

Bill S-4 is clearly a good bill, a strong bill. It has a broad reach and a focused vision. It reflects many years of consultation and it addresses the safety challenges of the railway industry with innovative and pragmatic solutions that build on the successes of the past and open the door for ongoing successes in the future.

• (1400)

The safer railways bill is about the strength of our economy and the safety of our people; and it is clearly a bill we can all support regardless of our political stripes or personal persuasions. There is nothing more important than our safety, our communities and our prosperity in this beautiful green and fertile, but fragile, land of ours.

Before going further, I would like to remind honourable senators briefly of the origins of this bill and detail a few of the more important amendments that will help improve safety throughout our railway industry. Perhaps some honourable senators remember names like Wabamun, in Alberta, and Cheakamus and Lillooet, in British Columbia. Just five years ago in 2006 and 2007, these names were all over our national newspapers because they were the scenes of horrific railway accidents that resulted in lost lives and catastrophic destruction of our environment. In Wabamun, more than one million litres of heavy Bunker C oil spilled into a recreational waterfront paradise. In Cheakamus, 40,000 litres of caustic soda entered the river, killing nearly a million fish from 10 different species, including chinook, coho and pink salmon, and rainbow trout, both

freshwater and ocean dwelling. In Lillooet, a locomotive and flatcars plunged 300 metres off the track into the Fraser Canyon, killing two crew members and seriously injuring the engineer.

It was these tragic accidents and several others that highlighted the pressing need for a study of safety issues throughout the Canadian rail industry. In 2007, the minister appointed a fourmember panel to conduct a thorough review of the Railway Safety Act and identify gaps in the legislation. The panel subsequently ordered a variety of independent research and conducted extensive consultations across the country so that railway companies, unions, provincial governments, municipalities, shippers, associations and individuals could all present their views on railway safety issues. The result of those broad-based consultations was the panel's final report called *Stronger Ties: A Shared Commitment to Railway Safety*, which was tabled in Parliament in March 2008. The report was very detailed and comprehensive, and contained 56 recommendations to improve railway safety in Canada.

Honourable senators, I would like to note, if I may, that the panel's final report on rail safety is highly regarded and has been much praised by both government and industry.

During the hearings of the Standing Senate Committee on Transport and Communications on Bill S-4 last week, Cliff Mackay, President and Chief Executive Officer of the Railway Association of Canada, said that he thought the leadership of the review panel was exceptional and that the final report with its recommendations was one of the best he had ever seen. That is high praise coming from the leader of an organization that represents about 99 per cent of all railways in Canada.

I personally agree with Mr. Mackay, and the members of the House of Commons' Standing Committee on Transport, Infrastructure and Communities apparently agreed too. After conducting their own in-depth study on rail safety in Canada in 2008, the standing committee accepted all 56 of the Railway Safety Act review recommendations and wrote 14 recommendations of its own to improve railway safety even further. It is the recommendations from these two national safety reviews that the legislative amendments of Bill S-4 address. The reviews identified the problems; Bill S-4 provides the solutions.

In short, Bill S-4 is a blueprint for the long-term safety of one of our more vital industries. It will significantly modernize the current Railway Safety Act to reflect changes in the industry and will provide for higher levels of oversight and enforcement to ensure that safety requirements are met. The key elements and advantages of the bill are clear.

First and foremost, Bill S-4 will provide a stronger oversight and enforcement capacity for Transport Canada through the introduction of safety-based railway operating certificates and monetary fines for safety violations, as well as an increase in existing judicial penalties to reflect the levels found in other modes of transportation. The proposed safety-based railway operating certificates will ensure that all federally regulated railways will have an effective safety management system in place. Administrative monetary penalties and higher fines will also provide Transport Canada with a more effective toolkit of options for managing companies that persist in safety violations.

This bill also provides for a significantly stronger focus on the importance of railway accountabilities and safety management systems, which both industry and labour applaud and support. With these amendments, railway companies will be required to appoint a designated executive responsible for all safety matters. They will also be required to provide whistle-blower protection for employees who raise safety concerns. Besides increasing our level of protection from accidents and oversights, these amendments will help to ensure the growth of a strong and lasting safety culture in the railway industry.

On the administrative side, Bill S-4 closes gaps in the existing act by clarifying the minister's authority on matters of railway safety. The bill also expands regulation-making authorities which, of particular importance, will enable Transport Canada to require annual environmental management plans from the railways, as well as a requirement for railways to provide emissions labeling on equipment and emissions data for review.

In a nutshell, that is what the safer railways bill is all about — better oversight, improved enforcement tools, enhanced safety management systems, and better environmental protection. These are things we need. These are things we applaud. I think honourable senators will agree that these are things we can all support.

As honourable senators know, the Standing Senate Committee on Transport and Communications has been listening to railway stakeholders and pursuing clause-by-clause study of this bill over the last few weeks. It pleases me greatly to share with colleagues that Bill S-4 was adopted unanimously by the committee but with one small amendment related to employee reporting.

Although Bill S-4 originally included a clause that would enable employees to report safety violations to the Transportation Safety Board, a number of witnesses, including from the Teamsters Canada, the railways and Transport Canada, pointed out that the Transportation Safety Board had not been consulted on this issue and that a process for the direct reporting of safety violations to Transport Canada already existed.

No one has a problem with the existing reporting mechanism, and no one objects to its continuing. Teamsters Canada wholehearted support for this particular amendment reflects the importance that rail workers place on confidential reporting by employees. It is encouraging to see the confidence they have in Transport Canada to help them address their concerns about on-the-job safety.

As I mentioned, the committee heard from a number of witnesses, including the teamsters, the railways, the City of Ottawa and Transport Action Canada, all of whom support the bill. The railway industry, which on numerous occasions has expressed its approval of the bill, proposed several addition changes to Bill S-4 that were considered by the committee. While we understand and even share industry's concern, I would like to highlight briefly why the committee has not pursued or adopted their proposals.

The railway companies are very concerned about the issue of new developments near railway tracks and the impact on safety. This is an important concern that we all share. However, land use planning is a matter of provincial and municipal jurisdiction, and the minister has limited authority to follow through and enforce requirements regarding either consultations or notification of land use planning on provincial or municipal land.

There is legislative exception in the Railway Safety Act that provides for the federal government to regulate activities, construction, maintenance, restricting access and removal of things on land where that land is located directly adjacent to a railway right-of-way. We maintain that land use planning in any broader context is a provincial/municipal responsibility. We encourage the railways to pursue this with the appropriate provincial authority.

Crossing safety is also a pressing issue for the railways. While we agree with their concerns with respect to crossings, the Railway Safety Act review did not recommend any legislative changes in that area.

• (1410)

It did, however, recommend that Transport Canada, with the railways and other relevant stakeholders, develop a program that would identify where crossings could be closed, to limit the number of new crossings and to improve safety at existing crossings. We note that work is under way in this area and that Transport Canada and the Canadian Transportation Agency have signed a memorandum of understanding to clarify their respective roles, seek improvement in the system and align the respective processes and activities to support crossing safety and promote closure where expedient.

In addition, the Proximity and Operations Working Group, which includes representatives of industry, unions and Transport Canada, is currently developing strategies and targets for a robust crossing closure program. Ultimately, the opening of new crossings is a subject exclusively dealt with by the Canadian Transportation Agency under the Canada Transportation Act. Proposing changes to the Canada Transportation Act is not the purview of this railway safety bill, and we suggest the industry pursue this matter more appropriately when amendments to the Canada Transportation Act are being considered.

The third item industry proposed to the standing committee was to amend the definition of highest level of safety. Bill S-4 defines the highest level of safety as the lowest acceptable level of risk as demonstrated by a risk management analysis. This is a clear definition in keeping with the principles and practices of safety management systems.

The industry is suggesting that the highest practicable level of safety is more appropriate. I respectfully disagree. It is understood that we want railways to do their best; that is a given. However, the definition provided in Bill S-4 also makes them accountable to demonstrate how they did their best. That is where the strength of the existing amendment lies. The standing committee also had the pleasure of hearing from the City of Ottawa on that bill. The City of Ottawa has requested that Transport Canada enter into an authorization agreement so the city can regulate the safety and security of its proposed light rail transit system. This agreement will mean that Ottawa LRT will no longer be considered a federally regulated railway. Therefore,

Ottawa LRT will not be able to take advantage of federal legislation to have the government expropriate federal land for the city's LRT. We ask ourselves: Given that the City of Ottawa will have access to provincial expropriation legislation, why does it also need to have access to federal expropriation legislation? Did the city not consider, when it was requesting to regulate its LRT, that there were benefits to the federal regime which are unavailable to a non-federally regulated railway? It appears that the city wants to be federally regulated only when it is convenient.

Honourable senators, we have before us one of the most progressive and widely consulted upon bills I have ever encountered. A similar bill was dissected in detail and approved unanimously by the standing committee of the other house before the election was called in the spring. It has been similarly passed and unanimously approved by our own standing committee with the one minor amendment I mentioned.

Bill S-4 is without doubt a good bill for Canadians, a good bill for communities and a good bill for the railways. It is an important bill for Canada and it is worthy of your approval.

I would like to conclude by saying that without the railway safety amendments proposed in this bill, the government's ability to effectively regulate railway companies in an environment of continued growth and increasing complexity would be sorely diminished. Improvements to Transport Canada's regulatory oversight and enforcement programs would be limited. The pursuit of the new safety initiatives with respect to safety management systems and environmental management would also be badly constrained.

The legislative framework for railways would remain inconsistent with other transportation modes, which have a broader range of enforcement tools. Regulation-making authorities could not be expanded to allow for the creation of safety-based operating certificates and increased environmental protection.

Without the support of honourable senators for this bill, the ultimate result would be greater long-term costs for the government, for Canadians and for the railways due to continuing fatalities, serious injuries and damage to both property and the environment. Honourable senators, we should not let this happen.

First, I would like to thank Senator Mercer for his role in moving this bill through the Senate and through committee. I would also like to thank my colleagues on the standing committee for their hard work in bringing this bill forward as quickly as possible.

I believe that the one small amendment they have endorsed makes the bill stronger, and I encourage all honourable senators to vote in favour of this bill. With your agreement, we can take a significant step forward to improve the safety of our railways and further protect Canadians and the Canadian environment.

(On motion of Senator Mercer, debate adjourned.)

[Translation]

FAMILY HOMES ON RESERVES AND MATRIMONIAL INTERESTS OR RIGHTS BILL

THIRD READING

Hon. Nancy Ruth moved third reading of Bill S-2, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves, as amended.

Hon. Mobina S.B. Jaffer: Honourable senators, I rise here today to speak to Bill S-2, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights in or to structures and lands situated on those reserves.

In May and June 2010, the Standing Senate Committee on Human Rights examined Bill S-4, An Act respecting family homes situated on First Nation reserves and matrimonial interests or rights. Bill S-4 was identical to other, previous bills, including Bill C-8, introduced during the second session of the 40th Parliament, and Bill C-47, introduced during the second session of the 39th Parliament.

The committee reported Bill S-4 back to the Senate with amendments and the amended bill passed the Senate on July 6, 2010. Bill S-2, a revised version of that bill, was introduced on September 28, 2011, and the committee examined the issue of matrimonial real property once again.

The committee's pledge to correct something described as a legislative gap on reserves dates back to 2003, when it examined the issue for the first time and published an interim report entitled A Hard Bed to Lie In: Matrimonial Real Property on Reserve. The committee understood the urgency of the situation facing women in some First Nations communities when their spousal relationship breaks down. The committee therefore called for a legislative solution to resolve the injustices that exist.

[English]

Honourable senators, for most Canadian individuals who are facing a breakdown of their conjugal relationship or who are suffering the loss of a spouse or common-law partner, legal protection is in place to help ensure that matrimonial real property assets are distributed in an equitable fashion. Unfortunately, this is not the case for those living on reserves governed by the Indian Act. For men and women living on reserve, death or the breakdown of their relationship often leads to homelessness, financial woes and insecurity. This is because the Indian Act is silent on issues of matrimonial real property rights, and there is no legislation in place to fill this gap.

• (1420)

[Translation]

Bill S-2 is the fourth attempt by our governments to fill the current legal gap and provide First Nations people with the same protection that we often take for granted.

Honourable senators, after thoroughly studying this bill in committee, I would like to say that this legislative measure has brought hope to many First Nations people.

[English]

In June 2010, when the Standing Senate Committee on Human Rights was studying matrimonial real property on reserve legislation in the form of Bill S-4, we heard from the Member of Parliament, John Duncan, who is presently the Minister of Aboriginal Affairs and Northern Development.

In his remarks, he stated:

Enacting this proposed legislation is the right thing to do for three reasons. First, Bill S-4 affords residents of First Nation communities a level of protection similar to that enjoyed by other Canadians. Second, it enables First Nation communities to design and implement matrimonial real property laws tailored to their own cultures and traditions. Third, the immediate and concrete solution articulated in Bill S-4 is informed by considerable research and consultation conducted by independent groups, including national Aboriginal organizations.

Although in principle this bill aims to provide safeguards to Aboriginal people, it is my fear that it will be unable to achieve its intended effects. This is because Bill S-2 is not accompanied by the necessary resources that will be required for this to be the case.

Honourable senators, in a speech I delivered at second reading on this bill, I stated that a right without resources is not a right. When attempting to provide Aboriginal people with rights similar to those enjoyed by the rest of Canadians, we must remain mindful of the fact that Aboriginal people are often subject to extremely different circumstances.

During our study of Bill S-2, our committee heard from several witnesses who explained how Aboriginal women in particular were often placed in positions where they had to sacrifice their own personal rights and freedoms so that their families could have access to the most basic necessities.

We heard from a woman named Danalyn MacKinnon who explained this when stating:

One is the hierarchy of needs. People are spending their time trying to have housing. When I met my husband on reserve, there were 27 people living in his house. Housing, food, caring for your children, water — these are all essentials that we all take for granted. Women in particular have to make sure those things are there for their children.

In our region, the communities have been devastated by the impact of residential schools. This has resulted in a lot of community and family dysfunction. The result is a lot of violence in communities, sexual and physical abuse; these are the results that people are dealing with.

Honourable senators, I have been on many reserves while I was the Chair of the British Columbia Task Force on Family Violence, as a member of Mr. Mulroney's panel on violence against women and as a lawyer. It is my view that there is a lot of

work to do on the reserves. We do need to have legislation to assist those we can and eventually, hopefully, the legislation will assist more people in the communities to stay on reserves. However, these other issues of resources and the communities' needs are overwhelming for everyone who lives there.

Honourable senators, after hearing Ms. MacKinnon speak, I learned we cannot look at issues facing Aboriginal people in silos. We must look at the bigger picture. We must ask ourselves if those who require this legislation to be in place will be able to access the necessary resources for it to be effective. For example, Bill S-2 relies heavily on provincial courts, which are not meeting current needs, let alone future ones created by this bill.

During our study, our committee had the opportunity to hear from Ms. Mary Eberts, who is the Ariel F. Sallows Chair in Human Rights at the College of Law, University of Saskatchewan. When I asked Ms. Eberts if she felt Aboriginal women would experience difficulty accessing justice, she responded by stating:

... in all of the provinces and territories of Canada, whether or not you are living on an Indian reserve, there are substantial problems for all women getting access to justice in family law situations. There have been radical scale backs in legal aid and the provision of legal aid for family law matters. There are increasing numbers of self-represented people appearing in family courts on their own.

That kind of problem is multiplied manifold when one considers the position of women living on reserve. They do not have legal aid for family law, and their access is further limited because near many of the remote reserves, there are not any lawyers. Even when criminal courts go into the remote reserves, they fly in and everyone comes on the same plane as the judge.

I know of this challenge firsthand, as yesterday my son, Azool Jaffer-Jeraj, who is President of the Trial Lawyers Association of British Columbia, organized an awareness session for provincial courts as duty counsels are withdrawing their services in British Columbia from January onwards.

Accessing legal aid is difficult for all Canadians, and it is even worse for Aboriginal people. Where are these people going to get lawyers? Even if they live near a town where there may be practising lawyers, how will everyone get a lawyer? In many of these communities, even if the money was there, it would be difficult to muster enough nearby lawyers who are skilled in family law to take the issues.

Ms. MacKinnon, to whom I addressed a similar question, stated:

In terms of access to lawyers, we live in an area probably the size of France. There might be, optimistically, maybe 15 or 20 lawyers who do any family law. Out of that, probably only half would take Legal Aid.

It is distances, time, and the resources of the individuals in the community. People just do not have money to ever privately retain a lawyer. It is very difficult, but without a law, there is no other recourse. If you have a law, at least you can go to court on it if you can get those other things in place, but without those resources, then it is just a law on paper.

[Translation]

Honourable senators, while studying Bill S-2, our committee heard a number of women explain how Bill S-2 would change their lives. Although it does seem to provide protection, we must ensure that these women will have the resources needed to exercise their rights. We must not raise the expectations of Aboriginal peoples and then disappoint them.

[English]

Another concern is housing shortages on reserve. While working on this issue for many years, I have heard a number of heartbreaking stories told by women who were displaced from homes with no place to go. When a marriage breaks down, the lack of housing is one of the main reasons forcing people to leave the reserve. This needs to be appropriately acknowledged and addressed as part of a broader, more comprehensive approach to the subject.

During our committee's study of Bill S-2, we heard from a brave woman named Rolanda Manitowabi, who shared with our committee her personal challenges and experiences. During her testimony, she stated that she stayed in a relationship that was stressful and strained because she had no place to go. In fact, even after ending her relationship, Ms. Manitowabi continued to live with her ex-partner for six months before she came home one day to find he had changed the locks, thus leaving her and her son homeless and with no place to go.

Honourable senators, this is the unfortunate reality for many Aboriginal people living on reserves. What is perhaps even more unfortunate, however, is the fact that our government has cut funding to Aboriginal housing by \$127 million since 2008, before the Economic Action Plan. Although it is commendable that our government is prioritizing matrimonial real property issues on reserves, the fact that at the same time we are cutting funding to housing on First Nations reserves is extremely troubling.

Honourable senators, we must ask ourselves, where will these displaced spouses go?

During our committee's study of Bill S-2, we received a written submission from Grand Chief Denise Stonefish from the Association of Iroquois and Allied Indians. In this submission, Grand Chief Stonefish highlighted several concerns, many of which pertained to the authority First Nation governments have to create and implement their own matrimonial rights and interest laws.

• (1430)

She stated:

Under Bill S-2, section 7(1) enables First Nations to develop and enact their own laws for the breakdown of a conjugal relationship or death of a spouse. This provision, however, ignores the existing jurisdiction of Association of Iroquois and Allied Indian member Nations to enact their own laws related to matrimonial rights or interests. . .

She then proceeded to state:

With little to no funding available for First Nations to enact matrimonial rights and interest laws both within and outside the scope of S-2, many First Nation governments will be forced to use the federal provisional codes outlined in Sections 13-52.

Honourable senators, it is clear that many First Nations communities will need support if they are to develop their own laws relating to matrimonial interest and rights. The minister has twice indicated to our committee that a centre of excellence will be established as a source of information and support for First Nations communities.

During our study, the minister made the following statement about the proposed centre of excellence:

What is envisioned is a centre of excellence. A non-political, national First Nation organization would provide non-binding guidance on the direction of the centre, in such areas as research and implementation related activities. The plan is for the advisory committee to be comprised of key stakeholders that would include Aboriginal organizations, NGOs, centre of excellence staff and the Government of Canada.

There would be a targeted, 50 per cent female representation on staff, in an advisory capacity, to address the concerns of women.

I applaud the concept of such a centre. However, I remain concerned that the required Treasury Board approval may cause a delay in establishing the centre, as we were advised that the minister would speak to the Treasury Board about the centre of excellence only once the bill has passed.

Not only is the proposed centre of excellence without a budget, during our committee meeting when I asked the minister more about this centre of excellence I learned that there would be only one centre in the entire country, and the location of that one centre has yet to be determined.

Honourable senators, it is clear that this proposed centre of excellence will be faced with a number of delays, as it currently lacks both a budget and location. Therefore, First Nations communities that may be anxiously seeking out tools to facilitate their law-making process may also face delays.

That is why, during the clause-by-clause consideration of this bill at our committee meeting, I moved to amend article 56(2) and extend the transition period that is currently included in the legislation from one year to two years. This would allow time for both the centre of excellence to be established and for the First Nation communities to develop their own laws pertaining to matrimonial rights and interests. Although I was unsuccessful, I hope that when this bill is in the other place this one-year transition period is examined more closely.

Honourable senators, during our committee study we heard the concerns of a number of Aboriginal people, and we sympathize with their challenges. Although this bill may appear to be a remedy and a safety net, we must remember that this bill will only be implemented if the proper resources are in place for this to be the case.

It is clear to me that we have indeed raised the expectations of several Aboriginal people. However, it is now our duty to ensure that we do not let them down again.

Honourable senators, throughout our committee's study we gave Aboriginal individuals and organizations a voice. Now we must listen.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: On division.

The Hon. the Speaker: Carried, on division.

(Motion agreed to and bill, as amended, read third time and passed, on division.)

MARKETING FREEDOM FOR GRAIN FARMERS BILL

SECOND READING

Hon. Donald Neil Plett moved second reading of Bill C-18, An Act to reorganize the Canadian Wheat Board and to make consequential and related amendments to certain Acts.

He said: Honourable senators, Western Canada has waited for this day since September 27, 1943, when the mandatory Canadian Wheat Board came into being. It is indeed an honour for me to be the sponsoring senator for this legislation, which will usher in a new era of jobs and growth for Western Canada. Our government has made a commitment to Western Canadian farmers that we will stand up for them, and we will ensure that they will not be treated as second-class farmers any longer.

We have made a further commitment that this legislation will be passed in time for them to be able to ensure certainty and clarity as they are preparing for this fall and sowing their crops in the spring so they will have the assurance that their crops will be theirs to sell as they see fit.

Western farmers know that markets will be adjusted and they need to be able to have ample time to prepare for those adjustments. As well, the new Canadian Wheat Board will require time to forward hedge and contract to be the major player that we know it can and will be. I, for one, look forward to that day.

Canadian farmers are entrepreneurial and innovative. Over the past half century Canadian farmers have increased their productivity by 300 per cent; that is an incredible growth rate that would be the envy of any other industry. Where our

grandparents or great-grandparents could produce enough food for 10 people, today's farmer can feed well over 120. Today the Canadian agriculture industry drives 8 per cent of Canada's GDP, one in eight jobs and almost \$40 billion of our exports.

Agriculture continues to be a driving force in Canada's economic recovery by creating jobs and growth. However, as successful as we have been over the past century, Canadian agriculture continues to face significant challenges. We heard recently about the 7 billionth person being born on our planet. By 2020, the world's population is expected to reach 7.6 billion, up from the 7 billion today. Based on these projections, the world agriculture and agri-food system will have an additional 68 million people to feed each year. That is an incredible challenge for any sector, and even more so when you consider that farmers will have to do all of this with limited land and water resources.

Honourable senators, now is not the time to be burdening our farmers with rules, regulations and red tape. We need to free our farmers to feed the world, and that is what Bill C-18 is all about.

Grain growers in Western Canada are like any other business people. They want to make the right decisions for their farms. They already decide what to plant and when to harvest. They make marketing decisions on their canola and pulse crops, their peas, lentils, beans, oats and many other crops. They want the same marketing freedom for their wheat and barley.

Honourable senators, for the past six decades Western Canadian farmers have been denied, by law, the right to run their businesses where it matters the most: at the point of sale. In a free and democratic society, what do we do when Western Canadian farmers try to sell their wheat on the open market? We throw them in jail.

I told honourable senators the following story a few days ago but it bears repeating. A young farmer in my province of Manitoba grew wheat for sale on his farm, but due to poor growing conditions this particular season, and some unfavourable weather, his crop ended up with a fungus. This caused the wheat that he had produced to have black kernels and be of lower quality. The Canadian Wheat Board refused to sell it. Forced with the stark reality that he was not going to make any money this season, out of sheer desperation this farmer found a buyer in the United States. He loaded the wheat and began the trip to his buyer in the U.S. At the border he was stopped, where he explained his situation. If he did not sell his wheat, wheat that the Canadian Wheat Board refused to take, he would go broke and lose his farm. He was told by Canadian authorities — not U.S. authorities but Canadian authorities — that he could not sell his wheat privately. As a result of this, trying to sell his own wheat, wheat that the Wheat Board refused to take, he was sent to prison. A farmer, honourable senators, trying to sell his wheat was sent to prison.

• (1440)

Honourable senators, on Monday evening we saw over 60 farmers from Western Canada come to Ottawa, at their own expense, to celebrate the passage of Bill C-18 in the other place. Later that evening, one of the farmers, Mr. Kenton Possberg, from Humboldt,

Saskatchewan, a farmer who farms approximately 15,000 acres, told me a short story about his two sons, seven-year-old Spencer and five-year-old Taylor.

As the story goes, Spencer was playing with a toy truck and trailer, and his brother was playing with a toy police car. When the father asked his boys, "What are you boys playing?" Spencer said, "Dad, I am driving to the United States to sell my wheat, and Taylor is chasing after me with his police car and telling me the Wheat Board is going to put me in jail."

How telling is this story, that a seven-year-old can recognize the injustice that Western Canadian farmers have had to endure for the last 70-odd years.

There are no less than 13 stories similar to the Manitoba one that I just told you, where Western Canadian farmers were charged with criminal offences and jailed for trying to sell their wheat and barley. This, senators, is similar to the gun registry, where the Liberal government before us and Liberals today wish to make criminals out of farmers and duck hunters.

Honourable senators, some of you may know that I grew up in a little town southeast of Winnipeg called Landmark. Landmark is not a household word by any means, but we have the unique distinction of being the exact geographical centre of Canada. Why the geography lesson? Well, since 1943, the playing field across this country has not been level. Farmers to the west of my hometown have been forced to sell their wheat and barley through a mandatory monopoly called the Canadian Wheat Board, whether they wanted to or not. Meanwhile, farmers to the east, in Ontario, enjoy the choice of marketing their wheat through a voluntary pool or independently. This just makes no business sense and it is an inequity that needs to be corrected. That is why, honourable senators, we can correctly refer to this bill before us as "Landmark legislation."

Certain members opposite have been unwarranted in their defeatist and pessimistic attitude, stating that the new Canadian Wheat Board has no chance of surviving and will die. Let me quote Senator Mitchell from his speech on the inquiry he opened on the Canadian Wheat Board just a few weeks ago:

I know that there are those over on that side who say, "No, no, no, it will not die." The fact of the matter is that this legislation will kill the Canadian Wheat Board.

Senators on this side of the chamber have confidence in the abilities of Western Canadian farmers to not only market their own grain profitably; we also have the confidence to know that pooling is both viable and popular in many parts of Western Canada and, as such, the new Canadian Wheat Board can and will survive.

In 2003, the Ontario wheat industry moved from a single-desk to an open market, the same as we are proposing for Western farmers through the marketing freedom for the grain farmers bill. Since then, the wheat industry in Ontario has grown significantly. Today, it is a 2-million-tonne crop that brings more than \$300 million to the farm gate, and it has become one of the province's major crop exports, driving over \$280 million of our exports.

In Ontario, a strong and innovative value-added sector purchases about half the Ontario wheat crop to manufacture high-quality food products on Ontario grocery store shelves. Since moving to an open market, Ontario wheat growers have developed a number of exciting value-added opportunities over the past several years.

For example, Grain Farmers of Ontario are supplying Ontario wheat to an Ontario-based company that has become Canada's largest pita manufacturer. This is contrary to the propaganda and fear-mongering of the Liberals, stating that the end of dual marketing will see all our money and investments disappearing to the United States. Projects like this have been so successful that GFO is looking for more opportunities in corn and soy.

The Ontario wheat industry shows what can be done when the entire value chain works together to grow market potential. In Western Canada, however, the story has not been the same. Over the past 25 years, the share of area seeded by Canadian Wheat Board grains in Western Canada decreased from about three quarters to about one half. Meanwhile, the share of area seeded to canola almost tripled. Canada's market share in world barley export markets has declined by 65 per cent since the 1980s, while the pulse industry grew to \$2 billion in export sales in 2010.

Honourable senators, I have no doubt that Bill C-18 will usher in a new springtime for our Western Canadian wheat and barley industry. Marketing freedom will unlock new value-added investment, new jobs and new growth for Western Canada's economy.

For over 50 years, our family has run a successful plumbing, heating and ventilation business in Landmark. We have done our part to provide jobs and economic growth for our region. My sons are no different from any other business people, be it plumbers, barbers or farmers. They want and need the ability to make critical business decisions. That control of your own destiny is why you like running your own business and not punching a clock nine-to-five.

In my home province alone, the wheat and barley business is a major driver of our provincial economy, generating almost \$800 million in farm cash receipts and over \$900 million in exports last year. The federal Minister of Agriculture continues to work hard with industry to grow these sales even more. Together, they have opened up some new and exciting opportunities around the world for beef, pork, pulse and canola sales, to name just a few. Earlier this month, Minister Ritz announced that the World Trade Organization has ruled in Canada's favour on U.S. mandatory country-of-origin labelling. This will certainly level the playing field for our livestock producers in Manitoba and across Canada.

We need to level the playing field for our wheat and barley producers as well. The fact is that today's entrepreneurial farmers are proving over and over that they can, and will, help drive our economy if they have control over their own farm and their own bottom line.

Under marketing freedom, we can look forward to increased innovation and new value-added industries. The removal of the monopoly will allow Manitoba farmers to sell their grains directly

to a processor, whether it be a pasta manufacturer, a flour mill, a brewery, or any other processing plant. Farmer entrepreneurs will have the option of starting up their own small specialty flour mills and pasta plants, without the red tape it currently involves. They will not have to wait for an outside agency to tell them, well after the sale of their grain, the final price of the sale.

There has been tremendous growth in value-added opportunities for oats, pulses and canola across the Prairies over the past 20 years. There is no reason why we cannot expect more opportunities for wheat, durum and barley.

In Manitoba alone, the acreage of oats has increased by 175,000 acres since its removal from the Wheat Board's control in 1989 — investments and profits in Canada. Within weeks of that decision, two new processing plants were announced — investments and profits in Canada. Several more plants were built in the late 1980s and early 1990s, significantly changing the oat market, including Can-Oat in Portage La Prairie, which today employs 125 people — investments and profits in Canada.

Just over the border in North Dakota, there are many new pasta plants that have sprung up and created jobs that could have been created in Manitoba — investments and opportunities missed because of the single-desk marketing. We are already seeing renewed interest in value-added products just on the potential of marketing freedom — again, investments and profits in Canada.

• (1450)

Recently, we had the exciting news of a new milling facility planned for Regina that will take Canadian durum next year — investments and profits in Canada. Furthermore, a malting barley facility in Alberta is tripling its barley storage capacity — investments and profits in Canada.

There are the types of value-added industries and jobs that exist when farmers have the option to market their products as they choose. This, along with increased trade, could create many jobs and offset those that may be lost at the Canadian Wheat Board as it adjusts to its new role. There will also be added demand from farmers for strong marketers, business analysts and other specialists in the grain trade.

In Manitoba and across the Prairies, an open market means more buyers will be jockeying for farmers' business. Investments and profits in Manitoba — certainly something we need in Manitoba, considering our NDP government and their lack of vision.

On the horizon, for the first time, the Minneapolis Grain Exchange will be accepting Canadian grain for delivery against their wheat futures contract. Again, honourable senators, this is grain going to the United States and money coming back to Canada.

ICE Futures Canada, in Winnipeg, is working on creating its own spring wheat and durum wheat futures contracts for Western Canada. This is a tremendous announcement that means that farmers will have an important risk-management tool for the day

when they get the right to market their own grain. It will mean greater price transparency at the time of seeding so farmers can make more informed decisions about what to plant. It will give farmers the flexibility to react quickly to market signals. There is no doubt this is all very good news for Manitoba and the West.

We know that with a change of this magnitude, some adjustments will be needed. In particular, there will be a period of transition for the Port of Churchill, as it relies heavily on Canadian Wheat Board grains.

I have a passion for the Port of Churchill, as does our government. It has made it no secret that Canada's North is a cornerstone of our agenda. When the act is passed, the Port of Churchill will remain an important shipping option. I am pleased to say today that the government is making significant investments to ease this transition and help the port continue to be a viable northern shipping gateway.

The government will provide economic incentive of up to \$5 million per year over the five-year transition period to support the shipments of grain, including oilseeds, pulses and specialty crops, through the port. Our government will also provide support, through funding of up to \$4.1 million over three years, to sustain infrastructure improvements and maintenance of the port during the transition period. In addition, projects with the Churchill Gateway Development Corporation will be given more time to finish, with an extension of two years or until 2015.

These significant investments are complementary to other strategic funding commitments that we have delivered for Churchill in recent years. For example, last year Transport Canada earmarked more than \$13 million to implement upgrades to the Churchill airport. This is in addition to operating the Churchill airport and supporting VIA Rail's passenger train service to Churchill and several other remote communities.

Since 2007, the government has also committed \$20 million for rail line improvements, \$4 million for port improvements, and \$1 million for marketing and development of the port. We will continue to work with the Province of Manitoba and other stakeholders to seek new opportunities to develop and diversify the Port of Churchill, keeping it strong through the transition and well into the future.

I would note that the mayor of Churchill is ready and willing to explore options to move forward for his community. As reported in the *Red Deer Advocate*, Churchill Mayor Mike Spence says that he is focused on diversifying the Hudson Bay port's shipments if the Wheat Board loses its monopoly over Canada's grain shipment starting next August. Mayor Spence said:

I'm the type of person who is always optimistic. I'm looking in a positive direction, hoping that we'll be able to secure more grain and the port will diversify . . . I think we can do that.

This, honourable senators, should be the type of positive and forward thinking that all Liberal senators would do well to follow.

While the Government of Manitoba is resisting change, we are seeing farm organizations like Keystone Agricultural Producers and Farmers of North America Inc. saying that they want marketing freedom for farmers.

Bob Friesen, a long-time Manitoba farmer and former president of the Canadian Federation of Agriculture, testified on behalf of the Farmers of North America to the legislative committee in the other place. Ironically, Mr. Friesen was a witness suggested by the opposition. The Farmers of North America is a business alliance started by a grain and oilseed producer in Swift Current, Saskatchewan. They have 10,000 farmer members from across Canada. I would like to point out that all of these members have joined this organization voluntarily. Their number one mandate and priority is to improve farmers' cost competitiveness and maximize their profits. The following is a quote from Mr. Friesen's testimony on November 1, 2011:

I don't want to beat an old quote to death but as many of you have heard before, Wayne Gretzky used to say he was good because he went where he knew the puck was going to go. He didn't go where the puck was, or where the puck had been. That's the kind of mentality we have at FNA. We want to try to determine where the puck will be and then be there on behalf of our farmers. We want to make sure that we serve them well.

I was interested to hear his comments. His said his group is keen to work with the new organization to make it a successful marketing agency that can offer a viable pooling option for farmers, if they so choose. Mr. Friesen continued:

For me, the debate is quite simple. We have a lot of farmers that want to continue to use a marketing agency. We have farmers that want to market on their own.

What we're saying is let's make sure that for those farmers that still want to do this, let's create something viable for them.

Again, honourable senators, that is the kind of positive forward thinking we need in order to create new opportunities for our farmers.

I have heard many farmers on both sides of this issue, as have many honourable senators. Wherever you stand, the main goal behind this change is to provide Canadian farmers with more ways to achieve economic success.

Farmers who want access to a pooling system will continue to have that option through a voluntary wheat board. Even today in the free market system for other grains, there are pools, such as North West Terminal, one of the largest farmer-owned inland terminals on the Prairies, a co-op. Voluntarily, farmers can join this co-op and get help to market their grain. Meanwhile, those who can achieve greater success by dealing directly in the marketplace will now have that opportunity. To me, this is true freedom, true fairness and a true respect for basic rights.

Some Hon. Senators: Hear, hear!

Senator Plett: The government has heard from a number of entrepreneurial farmers who believe that their operations will be more successful if they have the marketing choice this bill provides.

A broadly based working group concluded in a report in September that this would be the case. The group heard from 50 different stakeholders, including producers, and received over 20 submissions. I would also note that in the Canadian Wheat Board's own survey, a majority of producers favoured a dual or an open market for wheat. Almost two thirds, 58 per cent of wheat producers, said they preferred either a market with no Canadian Wheat Board at all or a choice to deal with the Wheat Board or not. In fact, marketing choice or dual marketing was the most popular choice when wheat producers were asked to choose between three options: no change to the Wheat Board, dual market or no Wheat Board.

• (1500)

Henry Vos, a former Canadian Wheat Board and recently resigned director and grain farmer from Fairview, Alberta stated to *Macleans* magazine:

Pierre Trudeau said there was no place for the state in the bedrooms of the nation.

I ask: Should the government be in the grain fields and the grain bins in the nation?

Some Hon. Senators: No.

Senator Plett: It is clear that Western Canadian farmers agree that they should have had and should still have the right to sell their own grain. They should not be forced to be dependent on either a board or a government to sell their crops be it in Landmark, Manitoba or in Nova Scotia. In a free and democratic society, a society that was built on free enterprise, if even one farmer wishes to use his freedom to market his grain, why should we stop him from doing so?

The opposition has made a great deal of fuss about the plebiscite that was conducted by the Canadian Wheat Board and specifically about the percentage of farmers who are in support of single-desk marketing. On this issue let me make the following comments. The wording on the ballot in the plebiscite gave two voting options for wheat, and they are as follows:

- A) I wish to maintain the ability to market all wheat, with the continuing exception of feed wheat sold domestically, through the CWB single-desk system
- B) I wish to remove the single-desk marketing system from the CWB and sell all wheat through an open market system.

The wording on the ballot in the plebiscite gave two voting options for barley that were in essence the same as for wheat. The ballot never allowed for the third option that is being presented in Bill C-18; the option to maintain the Canadian Wheat Board as a pooling option for farmers while still allowing them choice to market their grain independently.

The Western Canadian Wheat Growers Association stated this about the plebiscite:

The CWB boasts that ballots were sent to over 68,000 voters, even though Statistics Canada numbers suggest there are no more than 20,000 commercial grain farms in western Canada.

The large number of eligible voters shows that multiple ballots were sent to some farms and/or a significant number of retired or hobby farmers were allowed to vote.

Members opposite have rightfully stated that the returned ballots from the skewed plebiscite showed that 62 per cent of the ballots returned show support for maintaining a single-desk for wheat and 51 per cent support for maintaining a single-desk for barley. However, the plebiscite that truly counts and is truly accurate is the plebiscite that was held on May 2, 2011.

Some Hon. Senators: Hear, hear.

Senator Plett: Members opposite have suggested that our government won on only 39 per cent of the vote and that this somehow translates into the amount of voter support on Bill C-18. This is simply not the case, as the following rural Western voter support percentages will illustrate.

My good friend and colleague Senator Finley cited some percentages on election results in the chamber last week. These were specific to certain ridings. Let me now give honourable senators some province-by-province results in the provinces most affected by the Canadian Wheat Board. In British Columbia, 62.1 per cent Conservative support and 5.2 per cent for the Liberal party. In Alberta, 77.58 per cent for the Conservatives, 4.5 per cent for the Liberals. In Saskatchewan, 68 per cent for the Conservatives, 5.05 per cent for the Liberals. In Manitoba, 67.72 per cent for the Conservatives and 5.96 per cent for the Liberals. It is truly amazing what listening to the electorate and keeping your promises does for election results.

It should also be noted by all Liberals senators that in the riding of Wascana, represented by Ralph Goodale, the Conservative candidate won all rural polls in the May 2 election.

The government has developed a comprehensive plan that will provide for an orderly transition to an open market. The act enables the government to provide the Canadian Wheat Board with the support required to operate as a voluntary marketing organization, allowing it time to transition to full private ownership. We will work with them to ensure this transition happens as soon as possible. This will allow farmers and the entire value chain to plan accordingly and transition in an orderly fashion.

As innovation is critical to the future of the Canadian grain industry, this bill also provides for a voluntary funding mechanism to support research and market development. The bill is designed in phases to give farmers and the value chain the certainty and clarity they need to make the transition to the open market.

The bill has five parts. For the benefit of members opposite who have not read the legislation but have a very clear, albeit misguided, opinion, I will go over the five parts. The first part covers from Royal Assent until the transition date for marketing freedom. The date is not in the bill, but the government has been very clear that the transition date will be August 1, 2012.

In the first part, the governance of the board is changed to enable stronger collaboration going forward and to ensure that the board is focused on the new marketing environment. The appointed board will continue to administer this year's pool. All market participants will be free to forward contract for wheat and barley sales for execution after August 1, 2012.

The bill has been amended to allow the Canadian Wheat Board to forward contract for other grains as well as wheat and barley. The other major elements of the existing Canadian Wheat Board Act would remain unchanged during the preliminary phase.

In the second part, after August 1, 2012, the Canadian Wheat Board Act would be repealed and replaced with the Canadian Wheat Board interim operations act. The monopoly is then removed and anyone will be able to buy and sell any grain. In other words, farmers will no longer be forced to sell through the board.

Under this interim legislation, the Canadian Wheat Board would continue to offer pooling, which would have government-backed initial payment and borrowing guarantees for up to five years. To give it a stronger base to build on, the Canadian Wheat Board would be able to market a whole basket of crops right across Canada and around the world.

There will be transition costs as the Canadian Wheat Board adjusts to its new role as a voluntary marketing option for farmers. The government intends to be there to assist with these costs so that farmers are not unfairly burdened. A temporary checkoff would be established at point of sale to support ongoing research and market investment.

In the third part of the bill, the interim Canadian Wheat Board would be required to develop a business plan by year four to capitalize itself and operate as a private company. The board of directors would need to submit such a plan and the Wheat Board would need to become a private entity within five years. It could be a business corporation, a producer co-op or a not-for-profit corporation. The business model is up to the board to decide.

In the event that the Canadian Wheat Board has not been continued as a private entity within five years, Part 4 allows for the windup of the organization.

Part 5 would repeal the Canadian wheat board interim operations act and would bring the transition period to an end.

As honourable senators can see, the government has chosen an evolutionary approach, one that gives the Canadian Wheat Board every opportunity to succeed as a voluntary marketing alternative for producers. This approach will give the entire value chain time to adjust to the open market and, in doing so, will increase stability for Western Canadian farmers during the period of transition.

Since day one, honourable senators, our government has made it very clear that marketing freedom was a cornerstone of our election platform, and in return Canadians provided us with a clear mandate, a strong majority and the responsibility to deliver on our promises. Just like the farmers who were here this week who make agreements on a handshake, our government made a handshake agreement with the farmers of Western Canada on May 2, and they helped send a majority Conservative government to Ottawa.

In our debates over the last few weeks, much has been stated regarding section 47.1 of the Canadian Wheat Board Act. Specifically, Senator Moore, Senator Banks, Senator Mitchell, and lately even Senator Cowan, have all asked questions on the legality of implementing Bill C-18. I wish to make the following comments on their misinformed observations.

Section 47.1 of the act added by the Liberals in 1998 says that the Minister of Agriculture cannot alter single-desk arrangements without first consulting the board and holding a vote of grain producers.

• (1510)

Let me state, honourable senators, that a core rule of Canadian democracy is the supremacy of Parliament as the ultimate law-making power in non-constitutional matters. One accepted consequence of this, Senator Mercer, is that past parliaments cannot tie the hands of present or future ones. As Justice Karen Sharlow commented in passing, section 47.1 "does not stop Parliament from enacting any legislation it sees fit to enact." Further, to quote our friend Liberal Senator Joyal, "the supremacy of Parliament has been the bedrock principle of our democracy for over a century."

The definition of parliamentary supremacy according to Justice Noel is:

Parliament has discretion to overrule Supreme Court judgments. The principle of parliamentary supremacy is a foundation of Canadian constitutional law: the judiciary must abide by the statutes adopted by Parliament.

Justice Murphy stated:

Parliamentary sovereignty, also referred to as parliamentary supremacy, is the rule that Parliament has the power to make or unmake any law whatsoever.

Honourable senators, it is not a majority government that gives us the right to change legislation; it is parliamentary supremacy that gives us that right. Our majority government ensures that we can have passage of this bill.

Some Hon. Senators: Hear, hear.

Senator Plett: With respect to the Minister of Agriculture having consulted with the Canadian Wheat Board and the farmers having voted, we in fact consulted. Indeed, on May 2, 2011, we consulted. The overwhelmingly results were that "we trust the Conservative Party to do the right and proper thing and give Western Canadian farmers freedom."

In conclusion, honourable senators, in an open market our entrepreneurial farmers can expand markets, increase their incomes and attract greater investment now. Our government is taking the right approach with careful consideration and a comprehensive plan to ensure the transition is as smooth as possible. The time is right for action. Our farmers cannot plan for the future with yesterday's solutions. They grow world-class food in a global marketplace that is ripe with opportunity. We need to free our farmers so they can drive our economy and feed the world.

Honourable senators, I ask that you all put aside your partisan views. This is not about supporting your party, but rather about supporting and freeing our friends and farmers from Western Canada. We, of all countries in the world, need to lead the charge on equality. I ask all honourable senators to stand up for freedom and support this important legislation.

Hon. Robert W. Peterson: Honourable senators, I wish I could be speaking on Bill C-18 under better circumstances. This government has been racing this bill through Parliament like a teenager who just got the keys to the family car and cannot keep their eyes on the road. Sooner or later somebody is going to get hurt. This government has imposed closure many times, refused to accept amendments, and refused to travel and hear from farmers in Western Canada, the very people affected by this bill.

Honourable senators, with this government's arrogance, the only way this will end is in hardship.

Where did it all begin? In fact, the Canadian Wheat Board was created by the Conservative government in 1935, after years of hard times for farmers in the open market. It achieved the scale necessary to make family farms financially viable. The Wheat Board went on to become the cornerstone of family farms across the Prairies. Through its single-desk, it markets all wheat, durum and barley production from the Prairies and the Peace River Basin for export or domestic food. The Canadian Wheat Board conducts marketing logistics: It finds clients, negotiates terms of sale and delivers products to clients. It also arranges pricing options and offers farmers different balances of risk and return for grain contracts.

Price pooling — which is the important part — ensures that for a given grade, farmers will receive the same price no matter where or when the wheat or barley is ultimately sold. Pooling provides

protection from price fluctuations and prevents farmers from undercutting one another. Both marketing logistics and pricing options are subject to economies of scale since they are overhead costs. The more farmers participate, the cheaper it is for everyone.

Honourable senators, the Canadian Wheat Board has been a resounding success over the past eight decades. It is a strong advocate for Western farmers and costs taxpayers nothing to run. It distributes \$4 billion to \$7 billion in revenue directly back to farmers each year. Independent economists peg the net benefit of the Wheat Board to farmers at \$600 million annually. Over 60,000 farmers benefit.

Why mess with success? It is not because of the results. Rather, for the past decade, the Conservative Party has been on an ideological crusade to dismantle the Canadian Wheat Board. Their unchecked free market beliefs cannot accept that state-trading enterprises like the Wheat Board can achieve more for farmers than private corporations.

This government has done no cost-benefit analysis of the effects of removing the board. They have not done their due diligence and for good reason, since such a review would find gains for multinational grain corporations and railways, but none for farmers.

Tragically, honourable senators, much of the anger that fuelled the rage of the Conservative base was directed towards the old Wheat Board before a Liberal government gave farmers control of the majority of positions on its board of directors. Bill C-18 will destroy the Canadian Wheat Board and throw farmers into the arms of multinationals who have been fighting for years to realize this opportunity. It will be nothing short of a feeding frenzy. The opportunity for the private sector is enormous. As one industry executive stated, "We can hardly wait for this to occur."

Unlike the government, the Liberal Party respects Western Canadian grain farmers' right to self-determination. Farmers should decide for themselves the future of the board's single-desk marketing system. We stand by farmers who have rallied in Winnipeg, in Colonsay, and all across the Prairies. We support Canadians who have been writing to their MPs by the hundreds every day to stop this bill. We are here to defend the farmers' right to decide their future for themselves.

When it was convenient for them, the government used to pretend is stood for farmers' choice as well. In March of this year — about two months before the election referenced so many times it is an epiphany moment — the Minister of Agriculture told farmers in Minnedosa that his government will not attempt to remove the single-desk unless farmers vote for it. As he said:

Until farmers make that change, I'm not prepared to work arbitrarily. They are absolutely right to believe in democracy. I do, too.

If you are a farmer and you hear that, it sounds like you can believe in the minister of the Crown. He is speaking for the government, is he not? You would think.

These words proved to be hollow. After the campaign the minister flip-flopped and now says the election gave the government a go-ahead to deny farmers their rightful say. Someone should have told farmers. Even farmers who opposed the Wheat Board thought they would be given a chance to vote directly on its future.

It is clear why the minister opposes a vote. He knows he would lose. A vote of nearly 40,000 farmers conducted by the Canadian Wheat Board this past summer — because the government would not do it — showed that the majority favour retaining the single-desk to market wheat and barley. Sixty-two per cent of wheat producers and 51 per cent of barley producers were in favour.

The results are remarkably similar to one done by 600 Saskatchewan producers conducted by Saskatchewan Agriculture and Food in January 2007, which said that 58 per cent favoured the continuation of the single-desk.

• (1520)

Furthermore, since 1998, when farmers have been able to elect directors, 80 per cent of the directors chosen have been strong supporters of the single-desk. If the anti-Wheat Board sentiment is so strong, why are they unable to elect their own directors? Simply stated, it is because Western Canadian farmers want to retain the single-desk of the current Canadian Wheat Board.

A free vote was not just wishful thinking. It is the law of the land, section 47.1 of the Canadian Wheat Board Act, which has been referenced this afternoon, embeds in law the principle that there shall be a vote among Prairie farmers to determine whether the nature of the single-desk should be changed. It is a clear violation of the Wheat Board Act to proceed without holding a vote among farmers.

The Conservatives clearly do not trust farmers to control their own affairs. Bill C-18 eliminates producer control of the operations of the Canadian Wheat Board and replaces it with direct, complete government control.

Currently, farmers elect 10 of the 15 members of the board of directors. If Bill C-18 passes, they will be replaced by five government-appointed members.

Not only does the government refuse to let farmers decide, but it also refuses to say that Bill C-18 will earn them higher prices. Why not? Because it will not.

The Wheat Board has the clout to price discriminate between different markets. The price it charges customers in Indonesia is lower than the one it charges in England because the two are very different markets. If England does not like the price, it has few, if any, alternatives. However, without the single-desk, a customer can play one grain company off against the other, forcing the price down. The ability to price discriminate will be gone. This ability to price discriminate is real. Studies have shown it to be worth \$600 million per year. That is an extra \$34 to \$41 per tonne for farmers. For a producer with 1,000 acres of wheat, it can be an additional \$41,000 per year.

The Canadian Wheat Board also returns all proceeds to farmers, less the cost of marketing, which runs in the neighbourhood of 98 per cent. Grain companies, on the other hand, buy at the lowest possible price and sell to customers at the highest possible price. Profits are not returned to farmers but are distributed to shareholders or reinvested.

Under Bill C-18, there will be competition between farmers to sell to grain companies. The few buyers will offer the lowest possible price they can get away with. They will do market research to avoid offering prices that are higher than their competitors'. Because grain is not perishable, buyers will stockpile it in low-priced years and wait out farmers in other years, keeping prices down.

Grain companies will also be able to refuse to accept delivery from farmers, due to lack of storage space, when prices are high.

Opponents of the Canadian Wheat Board claim that ending the single-desk will encourage further processing on the Prairies. They do not say that the reason this will happen is that grain will be sold at lower prices. Value-added industries seek to buy grain at the lowest price possible. They will import grain, like subsidized U.S. wheat, to depress local markets.

Pasta is often mentioned as a value-added opportunity, but it is unrealistic to expect much. It is a mature industry dominated by large companies that can buy shelf space in supermarkets. Value-added processing occurs because of customer demand. It is not determined by the marketing system. Wheat and durum load in bulk easily, can travel long distances relatively inexpensively and store well, so they are traditionally processed close to their final destination.

Canada will not replace the pasta plants across the border, which were built with special tax treatment, grants and subsidies. Thirty per cent of the durum ground in the U.S. for pasta is already imported from the Wheat Board, which shows you that pricing is not a determinant of plant locations.

Regardless, farmers have been delivering directly to mills and maltsters for years. Canadian milling capacity has grown 10 per cent in the past decade. The Minister of Agriculture suggested that results for wheat will be the same as canola, whose producers can sell their crops to local canola-crushing plants. One thing you have to remember is that canola is an oil, not a food. It is very perishable and can be handled locally.

Wheat and durum are shipped to major markets for processing because they are cheap and easy to ship. Canola, on the other hand, does not travel well and can be readily processed in the West. Even the CEO of Cargill in Canada says scrapping the Wheat Board will not likely result in more wheat milling or barley malting in Western Canada.

Removing the Wheat Board also diminishes the quality of our grain. The board, along with the Canadian Grain Commission and the Canadian International Grains Institute, ensures that all Canadian wheat and barley meets certain quality standards, which makes our grain a branded product, with a high reputation in world markets, that can attract a premium price. Without the board, our grain will become an undifferentiated commodity competing on price alone, leading to a downward spiral of both price and quality.

The government likes to talk about a dual-marketing system, but, in reality, it is setting up the Wheat Board for a fall. It is simply not clear how the board will function without the single-desk, with no capital base and no access to grain-handling facilities or port facilities.

The government's own report from the Working Group on Marketing Freedom does not recognize the realities of the Western grain sector. It appears the Harper government has no idea how it will work without a single-desk marketer and does not really care.

The government has absolutely no business model to replace the Canadian Wheat Board. They claim that the board could survive without the single-desk by moving to a voluntary pooling system, but that is the same system that failed in the early days of the Canadian grain industry, is failing today in Ontario and has failed completely in Australia.

The government also claims it will "assist with funding for reorganizing costs related to the removal of the monopoly." However, it has refused to say how much start-up funding will be provided.

In July, the Wheat Board told the government what measures it would have to take for the board to survive as a voluntary marketer. The government has yet to respond. The board's recommendations include a \$225-million capital injection to finance inventories and business operations until it has a track record to take to private lenders, a risk reserve of \$200 million to cover initial payment guarantees to farmers in case prices fall, and borrowing guarantees for at least five years to cover debt financing. These kinds of transition supports are badly needed. As chair Allen Oberg said, if a voluntary Wheat Board "has to operate on strictly commercial terms, it will not be here for long."

These measures only scratch the surface of the challenge. Temporary government ownership of the new voluntary marketer would be needed because another ownership structure could not be created in the next nine months. Regulations are needed to allow the voluntary Wheat Board access to elevators, port terminals and a supply of railway cars because it will have no facilities of its own. Yet this requirement was rejected by the minister's own working group.

The government plans to remove the board-regulated access to grain handling facilities, most of which are run by only three large grain handling companies. How will the Wheat Board be able to depend on private grain companies — its competitors — to receive its grain in their elevators?

Bill C-18 spells the death knell for smaller, regionally owned grain handlers. They rely on the Canadian Wheat Board for competitive access to port capacity. Without this access they may not be viable, leading to greater market concentration and fewer delivery options for farmers. Lower competition will mean lower prices paid to farmers.

Market power is a huge problem in the railway network, which is extremely concentrated in Western Canada, with only two railways. Yet there are no provisions in Bill C-18 to protect farmers from the tender mercies of the railway duopoly.

Without the Wheat Board, there will be no player in the system with clout to stand up for farmers and to take on the railways when their services fail, which happens about 50 per cent of the time, according to the government's own Rail Freight Service Review, or when the railways attempt to extract excessive freight rates.

This government says it is taking action through its Rail Freight Service Review, but it has been saying this since May of 2007. Four and a half years later they have only just appointed a facilitator; legislation and regulation are at least another year away. Glaciers have moved faster.

• (1530)

It used to be that the producers' right to load their own rail cars acted as a safety valve against commercial exploitation. Through the Wheat Board, farmers were able to self-load hopper cars at a saving of \$1,200 per car. In the last crop year, 12,000 hopper cars were loaded at a saving to farmers of \$14.4 million.

While this right will technically remain in the legislation, Bill C-18 will damage, perhaps fatally, the network of branch lines that provides loading sites for producer cars and the short-line railways that operate on them.

According to the working group report, producer cars will not be given any priority in the system. Farmers can order a producer car, and they might get it months from now if there happens to be nothing else happening at the time. It is a right without any meaningful application unless producer cars have some priority and can be received for delivery at the ports.

Grain companies and the railways have always opposed the existence of producer-owned grain terminals and short-line rail operations because it means that their grain goes around their system; it provides competition, and they do not get the tariffs and fees. Obviously they will not be conducive to allowing these innovations to continue in an unregulated network.

Grain companies also own the port terminals, and without the Wheat Board, they will not necessarily accept producer cars and would likely force farmers to use their elevators and pay handling charges, ending any savings from producer cars. Since short lines get most of their traffic from producer cars, short lines will also likely go out of business if the Canadian Wheat Board is dismantled.

Mr. Oberg, Chair of the Canadian Wheat Board, said the requirements the board sent to the government in the summer are the least the board needs to have a chance of surviving in the marketplace. Yet instead of collaborating on a realistic transition, the government is trying to paint the board of directors as uncooperative. They are setting the Wheat Board up to fail and the directors to take the blame.

Despite government claims, the Canadian Wheat Board cannot function as a voluntary marketing co-op. Voluntary co-ops fail because a certain number of people will try to market on their own when prices are high, but come back to the co-op when prices drop. Instead of pooling during good times and bad, thus spreading the risk, they will try to beat the market, harming everyone in the long run. Voluntary marketing co-ops do not obtain price premiums and cannot get favourable financing because they are based on fair weather friendships.

With the failure of a voluntary Wheat Board, taxpayers will be on the hook. An analysis conducted by the board and reviewed by KPMG accountants concluded the cost associated with dismantling the board will be in the hundreds of millions of dollars. Closing the Wheat Board will cost the City of Winnipeg alone an estimated 2,400 jobs.

Small towns and family farms will be hit hard by the changes in Bill C-18. Around the world, deregulation has coincided with consolidation of farming into fewer, larger farms. Smaller producers, faced with mounting marketing costs, have to sell their farms to bigger rivals. This will devastate small Prairie towns, whose economies depend on individual farmers with disposable income. Bill C-18 kicks the teeth out of the small farms that are the foundation of small towns across the Prairies.

The international evidence bears this out. New Zealand had an apple and pear marketing board monopoly from 1948 to 1994. When the domestic market was deregulated in 1994, it caused a sharp drop in the prices. In 2001 the board's export monopoly was removed, which led to a period of industry consolidation and financial difficulties for many growers. The number of apple growers dropped from 1,500 in 1998 to 900 in the 2005 season.

According to the United States Department of Agriculture, deregulation drove vertical integration and caused a decline in the quality of apples, as well as a reduction in market development overseas. By the 2004-05 season, many growers were facing financial ruin due to changes in the industry and the elimination of the board's single-desk. Of those producers who left, a majority said that they could not expand enough to be financially viable.

For another example, look to the provincial hog marketing boards in Manitoba, Alberta and Saskatchewan. The majority of small, family farm producers opposed the board's elimination in 1997 because they would be unable to compete with large-scale operations. Although the trend was already toward concentration in hog farming, the elimination of the marketing boards caused many family farm producers to become disadvantaged and, in many cases, go out of business.

The Australian Wheat Board lost its monopoly on the domestic marketing of grain in 1989 and became a privatized, publicly traded company between 1999 and 2001. However, it was not until 2008 that the Australian board lost its export monopoly on wheat. Reports suggest at least significant transitional, if not long-term, difficulties for Australian wheat producers, particularly among older and smaller farmers, following the elimination of the single-desk on exports in 2008.

Eventually, the Australian Wheat Board was sold to Agrium for its farm supply business, not its grain handling. Agrium finally dumped the failing grain unit to Cargill.

A sad side to this whole affair is the fate of the Port of Churchill. Ninety-five per cent of the shipments through the Port of Churchill are from the Canadian Wheat Board. However, because the private grain companies have their facilities on the West Coast, Thunder Bay and along the St. Lawrence, they have no incentive to use the Port of Churchill. How will the Port of Churchill survive?

The government does plan to subsidize the port by \$5 million a year to support grain shipment for five years and another \$4 million over three years for maintenance; but what will happen to the Port of Churchill when the five years are up? Even with a subsidy, why would private grain companies use it when they have their own facilities?

Another unanswered question is how this fits into our international strategy. By passing Bill C-18, we are giving the Americans their top trade objective for free at a time of mounting protectionism. Where is the concession in return? Buy America, marine tax discrimination, border thickening, softwood lumber tariffs, to name but a few.

The elimination of the Canadian Wheat Board has been the Americans' number one trade objective in North America for the past 20 to 25 years. Courtesy of the Harper Conservative government, the U.S. is about to receive its fondest wish, and Canada will get absolutely nothing in return.

The minister has set a very ambitious timetable for grain to be sold by August 1. How can farmers possibly be heard and these changes be implemented in such a short time?

Once gone, the Canadian Wheat Board — or any marketing board — cannot be re-created, thanks to the one-way privatization doors embedded in trade agreements like FTA and NAFTA and the World Trade Organization.

Who will benefit? Not farmers, who will lose control of a Wheat Board that secures the highest prices in exchange for the "freedom" to sell to grain companies that are in business to make money for shareholders. Not taxpayers, who will be footing the bill for winding down the Wheat Board for years. Not rural communities, which risk losing the branch lines and the short-line railways that serve them.

Who benefits? The grain companies, the railways and the ideologues in the Harper government.

Honourable senators, the Senate has always been known for its exemplary study of legislation and for representing minority groups in Canada. It is our duty to provide a full and complete hearing where proposed legislation has the following characteristics: first, is of grave detriment to one or more regions; second, breaches constitutionally protected human rights and freedoms; third, compromises collective linguistic or minority rights; fourth, is of such importance to the future of Canada as to require the government to seek a mandate from the electorate; and fifth, is so repugnant as to constitute a quasi-abuse of the legislative power of Parliament

Each of these five motives reflects the federal principle that the Senate was created to embody: the representational interests, the protection of government rights, the promotion of minority rights, government accountability, and legislative oversight.

Honourable senators, we are here to ensure the Senate's coherence and legitimacy; yet under certain circumstances, the new majority government is often impatient with this upper chamber and places the Senate in an unenviable "damned if you do, damned if you don't" situation.

If we refuse to pass this legislation as is, we will most certainly be accused of obstructionism or contempt for the electorate. However, if the Senate passes the legislation without any reservations, it will have failed to fulfill the constitutional role of providing sober reflection and holding the government to account; and we will not be doing justice to the groups we are appointed to represent.

• (1540)

The government claims that it has done due diligence and sent this legislation for study in committee, but it has not consulted the farmers in the region where this legislation's negative effects will be most apparent.

My final comment to honourable senators in the Senate is this: What are you going to tell your grandchildren when they ask, "Where were you when they destroyed the Canadian Wheat Board?"

Some Hon. Senators: Hear, hear.

[Translation]

Hon. Percy Mockler: Honourable senators, I would be remiss if I did not make certain comments on Bill C-18 at the very beginning of my speech.

There is no doubt in my mind that we could make this a partisan or very political debate; the West versus the East. I have been wondering about something. This afternoon, I had the opportunity to meet in my office with a young farmer from eastern Canada, from the Restigouche area, who has travelled all the provinces from east to west. He shared his concerns about the bill with me. It was the first time anyone had knocked on my door, unsolicited, to discuss Bill C-18 particularly someone from a region that mainly grows potatoes, while other regions of that same province revolve around the fishery. He asked me to imagine single-desk marketing for fish products and potato products. I must say, honourable senators that the people back home would probably take to the streets.

That being said, instead of having a partisan or political debate, given my responsibility as Chair of the Standing Senate Committee on Agriculture and Forestry, I will try to opt for a debate based on facts.

[English]

It is important to state at the outset that with Bill C-18 we are not jeopardizing or putting in danger the supply management of Canada. I have taken the opportunity during the last three weeks to call farmers in Eastern Canada, Quebec, Ontario and Western Canada. I want to assure them that our government will not put in jeopardy the supply management of Canada.

Some Hon. Senators: Hear, hear.

Senator Mockler: However, honourable senators, looking back and after talking to both Eastern and Western farmers, I can say that Canadians have always been informed under the leadership of our Prime Minister that Bill C-18 would be introduced and voted upon. Today, that will happen.

Honourable senators know the results in the other place. I will quote Prime Minister Stephen Harper as late as October 7, 2011, from a speech he made in Saskatchewan alongside Minister Ritz and Premier Brad Wall as they announced an investment to create jobs with a pasta plant, the first of its kind in Western Canada.

Some Hon. Senators: Hear, hear.

Senator Mockler: The Prime Minister said:

... our government is committed to giving Western grain farmers the freedom to choose how to market their products, something Eastern grain farmers have long taken for granted.

An Hon. Senator: Right on.

An Hon. Senator: Absolutely.

Senator Mockler: The Prime Minister continued, saying:

This is not only a matter of principle. It will also lead to real economic benefits like this one, . . .

- the pasta plant in Western Canada
 - . . . to opportunities for years to come.

[Translation]

Honourable senators, Canadians have always known our government's position on its social and economic policies. We have always said and we continue to say today that our ultimate priority is to create jobs and focus on the economy without mortgaging our children's and grandchildren's future.

[English]

We stand together for the next generation, not just for the next election.

Some Hon. Senators: Hear, hear.

An Hon. Senator: Unlike those across.

Senator Mockler: Honourable senators, in order to create more economic activities and opportunities, Bill C-18 will give our aggressive young farmers across Canada, but mostly across Western Canada right now, more market access. Regardless of where we live in Canada, we have a common denominator: to make Canada a better place to work, a better place to live, a better place to raise our children, and a better place to reach out to the most vulnerable.

On this bill, honourable senators, I am proud to stand here and say that our government's top priority is the economy, and the agriculture industry, regardless of where it is, plays and will continue to play an important role in the quality of the lives of Canadians

We believe that all Canadian farmers should be able to position their businesses to capture the marketing opportunities worldwide that are open to them. We believe that Western Canadian grain farmers want the same marketing freedom and opportunities as other farmers in Canada and around the world have. We believe they want to be able to choose whom they sell their grain to and when, exactly like we do in Eastern Canada.

An Hon. Senator: What a novel idea.

Senator Mockler: We agree with the Minister of Agriculture when he says that we must emphasize farmers first. We know that farming is a 24-hour, 365-days-a-year job and that it involves the highest level of business planning and management. We also know that agriculture has proven to be one of this country's most exciting and innovative industries. The grain industry alone brings over \$16 billion to the farm gate and is a major contributor to the economy of all Canadians.

Hon. Michael Duffy: Say it again. How much?

Senator Mockler: It brings \$16 billion. I stand proud as Canada continues to prove itself to be a world leader in innovative quality agricultural products.

Some Hon. Senators: Hear, hear.

Senator Mockler: I sincerely believe, honourable senators, that it all comes down to our country's original innovators — our farmers.

Let us look at some facts. Our agri-food sector is the leading manufacturing employer in the country and an important driver in our economy from coast to coast.

• (1550)

Let us look at other facts today. Canada is positioning itself among new players, and we cannot put our heads in the sand. We have new players out there, such as growing markets like Brazil, Russia, India and China, and by doing what we are doing in Bill C-18, we will be in a position to compete.

Our productivity has jumped by 300 per cent since the 1950s, and we are now using more and better technologies. We are seeing more and more young farmers entering the business community, which is great news as well, even though we have challenges in other areas of Canada.

The other night I did hear from approximately 60 to 75 farmers from Western Canada. Regardless of where they came from in Western Canada, it was touching to hear what those young farmers were telling us. They have been telling this government that they want freer access to those markets, and that is why we have Bill C-18.

Honourable senators, the Government of Canada, under the strong leadership of the Prime Minister, understands that for our farmers to continue keeping up with changing global challenges, global markets and demographics, we must ensure they have every opportunity to successfully compete without being bogged down in red tape or shackled to an organization that limits their ability to decide when and where to sell their product.

Give the farmer the tools and the freedom to run their businesses as they see fit. Why should they not have that freedom? Like all entrepreneurs, they take risks. Our government believes in protecting the democratic property rights of farmers to run their own businesses, especially when the CWB's own surveys confirm that the dual market is the most popular choice among producers, a choice that allows them to control the price and timing of their sales.

Honourable senators, that is why we have introduced this legislation that aims to give Western Canadian wheat, durum and barley growers the democratic right to choose how to market their grain, whether independently or through a voluntary pool.

Honourable senators, the current law was established in 1943 by an order-in-council, not by farmers. I want to repeat that. That is important to the debate that we have. The current law was established in 1943 by order-in-council, not by farmers. As a result, Western Canadian wheat, durum and barley growers do

not have the same rights as other producers in the country about where to sell their product. I say to the senators in Eastern Canada, imagine for a moment if we did the same for our potato growers.

Honourable senators, what will the result be? I believe that the result will be an open market that will attract investment, encourage innovation and create value-added jobs which can include processing facilities like pasta plants. Western Canadian farmers deserve the same marketing opportunities enjoyed by farmers in other parts of Canada.

Honourable senators, they want the ability to market their own grain, whether it is to a voluntary CWB, to a grain company, directly to a processor or to an export customer in the U.S. or elsewhere.

Farmers are looking for new value-added products, revenue streams and greater marketing flexibility. Why is that? It is all about world competition. I believe that marketing freedom has many economic benefits for communities across the Prairies, and I also believe and foresee that new processing plants will be able to open for business. I also foresee that we will have the creation of well-paying jobs. Being bound by the current requirement to buy wheat and barley only from the Canadian Wheat Board, we must open those markets.

This government has listened to farmers. This government will continue to listen to farmers today and tomorrow. The high quality of Canadian wheat, durum and barley is recognized around the world, honourable senators.

No, we will not put supply management in jeopardy.

In conclusion, honourable senators, I have no doubt in my mind that the Standing Senate Committee on Agriculture and Forestry will be honoured to listen to all witnesses and will assure them that they will be heard with respect and decorum.

Hon. Jane Cordy: Honourable senators, I would like to thank Senator Peterson for his passionate, well-reasoned speech on democracy for wheat farmers and on the responsibility that we have as senators to do the right thing for farmers.

I would like to begin my speech by thanking all farmers in Canada for their hard work. Unfortunately, what they do for us as Canadians is often overlooked.

Honourable senators, I live in the city of Dartmouth and I grew up in the city of Sydney. My grandparents lived on a farm in Grand Mira along the Mira River in Cape Breton, and I remember many happy days spent there as a child.

Despite my agricultural roots, I am not an expert on agriculture, nor would I pretend to be. As a resident of Nova Scotia, I am certainly not an expert on wheat farming. I did spend time on the Standing Senate Committee on Agriculture and Forestry, but at that time the committee was doing a study on forestry — an excellent study, I might add.

Why am I speaking on Bill C-18? It is because I believe in democracy and fairness for farmers.

I also told the farmers with whom I met that I would speak on their behalf in the Senate chamber. Like Senator Mockler, I, too, think it is important that those of us from the Atlantic region speak out on behalf of our fellow Canadians who live in other parts of the country. We must stick together.

When Bill C-18 was introduced in the other place, the teacher in me knew that I better start my studies to better understand the implications of the bill brought in by this reform Conservative government. I read articles on this subject. Of course, I read the bill. I listened to those more knowledgeable on the issue than I. I met with farmers from Saskatchewan last week, and those farmers expressed their frustration with Bill C-18. Some of them voted Conservative in the last election, and they took Minister Ritz at his word when he said that the farmers would be given the opportunity to vote on whether or not they wanted the government to do away with the Canadian Wheat Board. Unfortunately, their trust in the minister was misplaced. I do not think he told the truth.

The farmers were hopeful that senators, both Liberal and Conservative, would support farmers and oppose Bill C-18. The farmers I spoke with felt that they were shortchanged by the process in the other place. The House of Commons committee invited only one witness in support of the Canadian Wheat Board, and the farmers felt that political games were played to limit the testimony of witnesses by having long preambles to eat up their time so that the witnesses got to say very little. The farmers reiterated the fact that 62 per cent of producers supported the single-desk in a vote — 62 per cent — yet this government is ignoring farmers' wishes.

• (1600)

Senator Plett spoke earlier about the results of the last federal election. While I was not very happy with the results of the election, I am happy that democracy works. Unfortunately, this government seems to feel that democracy for Canadians should stop on election day.

Some Hon. Senators: Hear, hear.

Senator Cordy: That is shameful.

The farmers I spoke with were also very frustrated by the government's plan to withhold the \$200 million contingency fund contributed to by farmers. The government is taking this money and using it to fund the dismantling of the Canadian Wheat Board.

This money, honourable senators, is farmers' money. The contingency fund was set up as an emergency fund for circumstances such as fluctuations in foreign exchange currency and hedging. I say again, this money belongs to the farmers. The government is taking over this money and using it to wind up the Canadian Wheat Board, even though 62 per cent of producers support the single-desk. The government is taking control over \$200 million of farmers' money. That is shameful.

When I read the bill, clause 51(1) states:

Any surplus that remains after the satisfaction of the debts and liabilities of the Corporation and the winding-up charges, costs and expenses belongs to Her Majesty in right of Canada.

The money is going to the government coffers and not to the farmers who paid this money into the fund. This is shameful, and I was dismayed.

Senator Gerstein spoke last week about this government not raising taxes, yet this government is taking money that belongs to the farmers. I guess if it is not a tax, it is a money grab on farmers for being prudent with their money.

Farmers also spoke about the current system at the Canadian Wheat Board and how this system is transparent for producers. The farmers know exactly what the cost is at every step of distribution. Ninety-eight per cent of the profits go back to producers. This will not be case under the proposed reorganization. The farmers stated that the middlemen will not be required to report to farmers what the actual costs are at every step of the process. There will be no transparency.

The farmers would like to see fair and balanced hearings in the Senate of Canada.

Honourable senators, I believe this is a very reasonable request to those who provide wheat to Canadians and to people around the world. I would like to thank the farmers from Saskatchewan who spent so much time meeting with me last week and answering my many questions. Is it little enough to provide a fair process with balanced hearings in the Senate of Canada for the wheat farmers in Western Canada. We owe it to them.

Honourable senators, Progressive Conservative Prime Minister Sir John A. Macdonald called the Senate the "chamber of sober second thought." Sadly, this quote, which should reflect the work that the Senate of Canada could do best, seems to be falling by the wayside. The senators who are part of the Harper government seem to feel it is their responsibility to follow blindly the wishes of their leader rather than examining legislation and determining what is best for Canadians. I believe that it is our duty as senators to review and evaluate legislation. We should not pass legislation with little or no study.

Honourable senators, we have a responsibility to study all legislation. Some very valid concerns have been raised concerning Bill C-18. Wheat farmers, and indeed all Canadians, should see these concerns addressed before this legislation is passed or not passed. That is democracy. We owe it to Canadians to follow the democratic process, and we certainly owe it to the Western wheat farmers to follow the democratic process.

I would like to take this opportunity to thank the farmers who met with me, a senator from the Atlantic region, to express their concerns. It is a shame that this government does not want to meet with farmers and voted against allowing the Senate Committee on Agriculture to hold public meetings in Alberta, Saskatchewan and Manitoba.

Some Hon. Senators: Shame.

Senator Cordy: I would also like to thank all the people from across the country, but especially from the Western provinces, for the time they took to write letters to me. In fact, I would like to quote some of the letters I have received over the past few weeks:

Even though I have typically voted Conservative, I vigorously object to the administration's dishonest, mean-spirited treatment of the Canadian Wheat Board and all of us who wish to retain the single desk marketing structure. Their appalling behaviour has become a source of embarrassment for many of us!

The Harper Conservatives keep pretending to be the champions of Western Canadian farmers, but if their campaign to dismantle the CBW single desk is so honourable, why must they resort to such dishonourable tactics to accomplish it? Since when does a supposedly noble objective justify a corrupt means of bringing it about? Not only is this government breaking the law by ramming through the current legislation without a producer plebiscite, but from the outset its clumsy handling of the issue has demonstrated an alarming disregard for free speech and the democratic process.

That was from someone who voted Conservative in the last election.

Another Saskatchewan farmer wrote:

I started farming in 1983 with one quarter section of land. My family and I have toiled to build a sustainable farm of 12 quarters. Without the Canadian Wheat Board's guarantee of sales and regulation of quality standards, my dream would never have been realized.

What system is the government going to put in place that will replace the CWB service to the Canadian farmers? Many farmers are not able to market their products on a daily basis and compete with the multi-national grain companies that have historically guaranteed us a fair market price for our grains.

The end of the CWB will inevitably be the end of small farmers. The rising marketing costs will force the small farmers to sell their farms to bigger rivals or agri-business companies. This will directly affect all small prairie towns that are dependent on individual farmers to support their businesses.

Another letter from Saskatchewan:

I'm worried and frankly outraged at the C-18 bill being pushed through Parliament without due process, without giving farmers the vote they were promised before a decision would be made. It makes no sense to me that a bill to obliterate the Canadian Wheat Board could be passed without any consultation with Canadian farmers.

Honourable senators, I believe in the democratic process. We owe it to Western wheat farmers to give sober second thought to this bill. We owe it to farmers to listen to them.

Senator Plett and the Conservative government say that this is the right decision for the wheat farmers of Canada. Since you will use your majority to pass Bill C-18, I hope that you are right. In fact, I pray that you are right because if you are not, the board will be destroyed and there is no way, with the trade agreements in place, that the decision will ever be able to be reversed.

Hon. Joan Fraser: Honourable senators, I have just a few words. I have been sitting here brooding about Senator Plett's eloquent and impassioned defence of the principle of parliamentary supremacy. I think we would all agree that it is fundamental to our system of government that Parliament is supreme.

• (1610)

Parliament can make laws, Parliament can change laws, but Parliament does not have the right to break laws. It seems pretty clear to me that that is what Parliament is in the process of doing. The existing law says the minister shall not introduce a measure like the one now before us until, among other things, the minister has consulted the farmers in a vote and the farmers have voted in favour of it.

Lord knows we have heard the other side say many times that farmers were consulted on May 2. However, we all know that elections have more than one issue. Even if they did not, the Minister of Agriculture, as we have been reminded by my eloquent colleagues, had given an assurance to the farmers that there would be a vote and that they would be consulted.

I am a Quebecer, and this process eerily reminds me of what my province has gone through twice now. There is a party in my province, a legal, democratic party, which twice has won election by saying, among a number of other things, "We are in favour of the independence of Quebec, of the secession of Quebec from Canada. However, if you, the citizens of Quebec, elect us, we will not consider that election to be a mandate to achieve the independence of Quebec. We will consult you in a separate vote on that matter."

That comparison may seem like a stretch to some honourable senators, but it does not to me, because we, in Quebec, counted so greatly on the validity of that pledge. We trusted them to that extent and were right to do so, because both times they got elected and both times they then did hold a referendum on independence. Quebecers, including many thousands of Quebecers who had voted to elect them but who did not wish to become independent, were able to express their preference in that referendum.

It seems to me that what Parliament is in the process of being asked to do is profoundly wrong and a betrayal of the basic trust upon which our system must be based.

Hon. Pana Merchant: Honourable senators, three recent political events in Canada illustrate the many faces of democracy. These three events, in particular, resonate with what is happening regarding the future of the Canadian Wheat Board.

There are three figures expressed in percentages that represent and highlight graphically and substantively the current processes of democracy in our nation. Those percentages are 64, 62 and 39. What do these figures represent? Who got what, where and when. Who won 64 per cent, who won 62 per cent and who won 39 per cent.

I believe these three percentages are a snapshot of who we are and what we want in 2011. The Conservative Party won 39 per cent of the vote this year in the general election — only 39 per cent. However, on the Wheat Board ballot, support for the Canadian Wheat Board was 62 per cent in favour. One cannot assert, with intellectual honesty, that there is a mandate of 39 per cent to change the Canadian Wheat Board status when, within weeks, the same Canadian voters supported the Wheat Board at a level of 62 per cent. There is a statistical spread of 23 per cent. Even with the appropriate factoring of statistical variables into this comparison, that spread of 23 per cent remains impressive, if not decisive.

Who won the 64 per cent? The Saskatchewan Party in a recent election in my province. I mention this simply because of all the political commentators who hailed the victory in Saskatchewan of 64 per cent as a great victory for democracy, and it was.

What is the difference between 64 per cent and 62 per cent in a democratic exercise? I believe that the reaction of the reasonable Canadian to a two-point spread between two voting events would be that such a margin is, in fact, insignificant. How can it be, then, that the Saskatchewan provincial election victory at 64 per cent is a great moment of truth and satisfaction, but a vote supporting the Wheat Board to the extent of 62 per cent is suddenly inconsequential, meaningless, belittled and to be discarded?

There is something fundamentally wrong with this picture: expressions or praise for democracy coming out of one side of the mouth, while at the same time expressions of disdain for the 62 per cent of farmers who support the Wheat Board are coming out the other side of the same mouth.

Is there no shame, or is it politics, not democracy, that is the new guiding formula for the making of public policy? I believe Canadians have a right to expect more from the political processes that embrace public policy. The failure to respect and honour the decisive support of 62 per cent on the Wheat Board vote is a blight on our democracy. Rejection of the will of farmers in this regard stains all of us as a political class.

I am truly ashamed of what is happening.

[Translation]

Hon. Fernand Robichaud: Honourable senators, this debate is quite interesting, to say the least, and we are hearing many statements from both sides. We could even say that there has been selective hearing at some points, and, honourable senators, I would say that that happens more often on the other side of the chamber. However, there is no need for a ruling from the Honourable Speaker on that statement.

I may be showing my age when I say that "the law is the law." It was Séraphin Poudrier who used to say that, wasn't it? I get the impression that it does not mean much anymore. I get the impression that I am participating in a debate that should not even be happening.

It has been confirmed that Parliament is the supreme authority for amending laws and proposing new ones. I completely agree with that, but we must also respect the existing legislation. That is what governs our actions. No one has the right to break the law; I do not believe that we have the right to do so.

Any action to be taken regarding the Canadian Wheat Board should be done in accordance with the Canadian Wheat Board Act. The honourable Senator Fraser said it well. Section 47.1 of this act sets out a process to be followed for any changes to the Canadian Wheat Board. It says that farmers must first be consulted and that a vote must be held. Section 47.1 states:

(b) the producers of the grain have voted. . .

Whether they voted in favour or against,

... the voting process having been determined by the Minister.

• (1620)

The government is saying that it is going to give western farmers a choice; however, the farmers are not being given the choice to vote on what the government is proposing. That does not make much sense. Are we talking about democracy? If the government had acted in accordance with the existing law, it would have respected the democratic process and given these people the opportunity to voice their opinion.

The government is saying that it consulted farmers and that the election was the consultation. The act does not mention elections but it says there must be consultation. How is it that the minister decided to do otherwise, particularly given the fact that he said before the election that he did not want to touch the Canadian Wheat Board before or at least until the farmers had their say?

If I were a farmer from eastern or western Canada or anywhere else, I would have believed the minister because he speaks with authority. I would have trusted what he said and believed that, if changes were to be made to the Canadian Wheat Board, consultations would be held.

As I said earlier, we should not be having this debate because it is going to bias the entire process. However, I believe that the train has now left the station and, next week, we are going to be hearing from witnesses.

It is only because farmers from western Canada came here at their own expense to meet with us and put their case that we were finally able to get organized so that they could have their say before the Senate Committee on Agriculture and Forestry. Clearly, we will listen to what they have to say and give them whatever latitude they need to express their doubts, their support or their opposition regarding the Canadian Wheat Board.

[English]

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, there has been no shortage of discussion in this chamber in recent weeks on the Canadian Wheat Board and the role that it plays in Western farmers' livelihoods. I rise today to speak to Bill C-18 because this is a bill that matters to me and to the farmers in Alberta, my home province.

I was born in a rural community in Northern Alberta, a place where many made their living by farming. I am proud to be able to represent in the Senate today the voices of those farmers who have not been heard.

Over the past several months, I have received countless letters from Alberta farmers, as well as Manitoban and Saskatchewan farmers, all of whom convey serious concerns with the way this government has handled the issues at hand pertaining to the Canadian Wheat Board.

Honourable senators, no one would be so foolish as to argue that all Canadian farmers unanimously support or unanimously oppose the Canadian Wheat Board. However, I think it is reasonable to say that each of us values one's right to be heard on a matter that directly affects one's livelihood, especially when that "right" is a statutory one. It is on this subject, honourable senators, where the Conservative government has utterly failed Canadian farmers. By refusing farmers their right to a say in the future of the Wheat Board, this government has disenfranchised and alienated farmers on both sides of the issue.

As Senator Fraser has so eloquently stated, section 47.1 of the Canadian Wheat Board Act is presently the law. I will read again section 47.1 of the Canadian Wheat Board Act. We have heard it many times today, but it is the law, and one cannot break an existing law. The law states that the Minister of Agriculture may not exclude any kind, type, class or grade of grain from the single-desk marketing structure unless:

- (a) the minister has consulted with the board about the exclusion or extension; and
- (b) the producers of the grain have voted in favour of the exclusion or extension, the voting process having been determined by the Minister.

This is pretty clear.

An Hon. Senator: It could not be any clearer than that.

Senator Tardif: By doing away with the single-desk, the government is effectively removing all types of grain from that structure, and is doing so without fulfilling the requirements of parts (a) and (b). Grain producers have a statutory right to vote on these consequential changes to the Canadian Wheat Board, and the government's legislation is being imposed in direct contravention of the statute in question.

What is perhaps most disturbing about this violation of the Canadian Wheat Board Act is that just eight months ago, in March, heading into an election, the minister assured farmers that there was no reason to worry and that the government would not act arbitrarily on the Wheat Board when it came forward in this Parliament.

Honourable senators, protests have been staged across the country. Online campaigns have sprung up on website and social media platforms. Farmers have travelled from the Prairies to Ottawa, expenses paid out of their own pockets, to try to be heard by their government.

Through all these efforts, my colleagues in this chamber and in the other place have stood shoulder to shoulder with Prairie farmers and asked this government to give them a chance to be heard.

Regrettably, these pleas have fallen on deaf ears. In what was perhaps the most disappointing display of the reticence of the government in this very chamber, senators on the other side voted down two separate amendments to have the Standing Senate Committee on Agriculture and Forestry hold hearings in the Prairie provinces, giving farmers a real chance to be heard.

What we asked for was simple: Bring the debate on the subject matter of this bill to the places where it really counts; bring the debate to the places where families and their livelihoods stand to be affected. Honourable senators, I am left to assume that the government was reticent to hold such hearings because they feared they would not like what they heard.

Some Hon. Senators: Hear, hear.

Senator Tardif: I have listened to members of the government in this place stand and say that those farmers who still want the CWB can still have the CWB, voluntarily — but this is categorically false, and I know that they know so. The CWB's defining characteristic is its single-desk selling system. With no single-desk, no capital base and no access to grain-handling facilities, what is left is an empty shell set up to fail. Even if I do not agree with the beliefs of the government, I expect the government to have sufficient courage in its convictions to be forthright about the policies it seeks to implement — not to deliberately conceal the intended effects of a piece of legislation.

The conspicuous absence of an economic impact study to accompany this significant legislation has been raised by a number of my colleagues. As a matter of interest, I would like to bring to the attention of senators an economic impact report that was conducted on the Canadian Wheat Board by PricewaterhouseCoopers in 2005. The report observed the annual benefits attributed to the CWB's economic activity in the city of Winnipeg, where the board's headquarters are located, throughout the Western provinces and for the rest of Canada.

• (1630)

The gross output on Canada attributable to the total initial expenditures and premiums generated of \$751.7 million was \$1.6 billion. Furthermore, in addition to the 460 positions at the CWB, a further 14,239 full-time, full-year jobs are created in Canada as a result of the initial CWB expenditures and premiums generated. In addition to wages paid to CWB employees, total labour income generated in Canada was estimated at \$519.3 million.

A final point of interest from this report was the notion of the Wheat Board's activities as a significant revenue generator for the government. Approximately \$360.1 million in taxes paid to all levels of government is generated by the CWB's initial expenditures and premiums generated in Canada. Honourable senators, the figures I have quoted are not small amounts. I have serious concerns with the absence of an economic impact study to accompany the bill currently before the Senate.

Since the government has declined to allow farmers' voices to be formally registered by way of a vote, I would like to use my allotted time to speak in this place to ensure that some of those voices are indeed formally on the record. I will read from some of the letters that I have received.

Two weeks ago, I received a letter from a farmer in Central Alberta. He writes:

Dear Senator Tardif,

If ever there was an issue that required sober second thought, it is Bill C-18.

I harvested my 35th grain crop this year. In 1998 I participated in the Senate Agriculture Committee hearings, which gave us our farmer directed Wheat Board. One of the key aspects of that legislation was the right of farmers to have an honest plebiscite on any substantive changes to the mandate of our Wheat Board. Coupled with the democratic elections of farmers to the CWB Board of Directors, this makes our CWB one of the most democratically legitimate institutions in our society.

The farmer's letter went on to describe his belief in the CWB as a critical component of the overall economic health of Canada. I think I just gave you some of those numbers.

Another farmer, from Grande Prairie, Alberta, writes:

Dear Senator,

After working from 8:00 AM to 12:00 midnight for the last while, my son and I completed harvesting on November 2. Meanwhile, the Harper government has been ramming the Bill to kill the CWB through Parliament with total disrespect for the ability of grain farmers to represent their interests.

In fairness to grain farmers in Western Canada and to rural communities, could the Senate hold public hearings across Western Canada?

Well, we tried that and we saw what occurred. He goes on to state:

This would give us the opportunity to let government and the public understand the impact this irreversible change will have on our farms, rural communities and the environment.

The Senate might also consider holding the vote among wheat and barley producers that is required under the current CWB Act, as a federal election was not a referendum on grain marketing in Western Canada.

Some Hon. Senators: Hear, hear.

Senator Tardif: Honourable senators, just a few days ago I received another letter, from a farmer near the community of Camrose, Alberta. He states:

Our rural municipality is located in the central area of the Province of Alberta. This farming community is still able to thrive thanks to local farmers and their families.

The CWB is an important tool in our infrastructure in keeping local grain growers living the valued, small town lifestyle that has been a strong part of creating the great Country we live in.

Keeping our community viable and growing is the most important part of our heritage which is being threatened by the possible dismantling of the CWB. This is a very serious concern for us as transportation of our grain is provided by trucks and producer cars on a short line railway. Gone are the local elevators, and service by a Class 1 railroad; caused by rationalization in the post Crow Rate era. This is also a big concern to farmers who farm 1000 to 2000 acres and for the budding farmer, or my son, who is just beginning to farm for a living.

These are but a few of the many, many letters that we have all received

Honourable senators, we have one last opportunity, as a chamber of sober second thought, to give those whose livelihoods will be directly affected by this bill the chance to be heard. That this bill will pass at second reading is a fait accompli. As such, I would like the Standing Senate Committee on Agriculture and Forestry to receive this bill as soon as possible so that it may begin hearing from farmers and from other witnesses who will appear.

I must admit that I am disappointed that the government voted against our attempt to have the committee hear on site from those who will most bear the impact of this legislation. Had senators on the other side supported our motion, the committee could have travelled to Manitoba, Saskatchewan and Alberta to listen to all of those who wished to be heard. Unfortunately, that was not to be.

Nevertheless, I hope that the committee will listen carefully to the testimony of those who appear before it on the subject of this bill. I hope that they will be thorough and meticulous in the examination of the legislation, taking into account what they hear from witnesses. This diligence is the true mandate of our committees and of our chamber. I therefore look forward to the study to be carried out by the Standing Senate Committee on Agriculture and Forestry.

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

Some Hon. Senators: Question.

The Hon. the Speaker: It was moved by the Honourable Senator Plett, seconded by the Honourable Senator Patterson, that Bill C-18, An Act to reorganize the Canadian Wheat Board and to make consequential and related amendments to certain Acts, be now read the second time.

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

Some Hon. Senators: Agreed.

Some Hon. Senators: No.

Some Hon. Senators: On division.

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

REFERRED TO COMMITTEE

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

(On motion of Senator Carignan, bill referred to the Standing Senate Committee on Agriculture and Forestry.)

NATIONAL PHILANTHROPY DAY BILL

THIRD READING

Hon. Terry M. Mercer moved third reading of Bill S-201, An Act respecting a National Philanthropy Day.

He said: Honourable senators, I do not want to give a speech. However, I want to extend my thanks to the Standing Senate Committee on Social Affairs, Science and Technology for accommodating my personal schedule and for allowing me to appear today as opposed to last week. I also appreciate the sincere questions and debate that we had this morning and the input and the insight that my colleagues on both sides have into the intent behind this bill. I urge all colleagues to vote for this bill.

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?

Hon. Senators: Agreed.

(Motion agreed to and bill read third time and passed.)

• (1640)

INDUSTRIAL ALLIANCE PACIFIC GENERAL INSURANCE CORPORATION

PRIVATE BILL—THIRD READING

Hon. Michael A. Meighen moved third reading of Bill S-1002, An Act to authorize the Industrial Alliance Pacific General Insurance Corporation to apply to be continued as a body corporate under the laws of Quebec.

He said: Inspired by Senator Mercer's brevity, I, too, would like to say a word of thanks to all senators for moving this bill forward expeditiously. In particular, I want to thank Senator Dawson, the opposition critic, and Senator Wallace, the Chair of the Standing Senate Committee on Legal and Constitutional Affairs, for making room on their schedules to hear the witnesses this morning.

Honourable senators, your cooperation will materially assist the petitioner in streamlining their organizational structure and in reducing costs, thereby creating jobs and wealth for Canadians everywhere across this country.

I could go on, but I will not.

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

Hon. Senators: Agreed.

(Motion agreed to and bill read third time and passed.)

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

FIRST REPORT OF COMMITTEE—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Smith P.C. (*Cobourg*), seconded by the Honourable Senator Cordy, for the adoption of the first report of the Standing Committee on Rules, Procedures and the Rights of Parliament (*Revised* Rules of the Senate), presented in the Senate on November 16, 2011.

Hon. Terry Stratton: Honourable senators, I, too, will be brief.

This is an important issue for everyone in this chamber and will be important to us for quite a while in the future. I think it behooves each of us to become familiar with the proposed new rules. I know that is a difficult task, because the rules are not exactly exciting bedtime reading.

I think it is important that this motion should be dealt with in the not-too-distant future, after we return from our Christmas break, because this could fall off the Order Paper if we ignore it for too long.

When I was the Opposition Whip for many years sitting on the other side, Senator Kinsella was the expert on the existing rules. I am curious as to what his opinion would be with respect to this rewrite of the rules. I hope that he would be supportive of it, because it is important to this chamber to have someone speak to it who has such expertise on the existing rules. I would very much appreciate that.

I want to thank the individuals who worked on the subcommittee and the sub-subcommittee and, of course, the staff whose assistance in getting this done was priceless.

If senators do not want to speak to this matter, I appreciate that, but I will be asking our caucus next week to let me know if they wish to speak to this committee report, because it is important that we get this done eventually.

The Hon. the Speaker: Is it agreed that this item remain standing in the name of Senator Smith?

Hon. Senators: Agreed.

(On motion of Senator Stratton, for Senator Smith, debate adjourned.)

SECOND REPORT OF COMMITTEE— DEBATE ADJOURNED

The Senate proceeded to consideration of the second report of the Standing Committee on Rules, Procedures and the Rights of Parliament, (Amendment to the Rules of the Senate, relating to leaves of absence and suspensions), presented in the Senate on November 29, 2011.

Hon. David Braley moved the adoption of the report.

He said: Honourable senators, the report before you proposes adjustments to the rules dealing with leaves of absence and suspensions. The Rules Committee reviewed these issues in light of recent experiences and the changes we propose are fairly simple, but significant.

Two issues requiring attention were identified: first, continued access to Senate resources during a leave of absence without the possibility of control and, second, the fact that both the finding of guilt and a sentence other than discharge are required for a suspension to take effect. A third point relating to the trigger mechanism to start the entire process is also addressed in the proposed changes.

On the first major issue, when Senator Austin, the then chair of the Rules Committee, spoke to the report establishing these provisions on December 6, 2001, he noted that a leave of absence would only apply to a senator's role in the legislature, not representative duty. It is for this reason that a senator on leave of absence continues to have access to a range of funds and services supporting us in our representative capacity. It has, however, become evident that a certain level of oversight on this point would be beneficial.

Strict rules trying to address every conceivable situation are not feasible and, for this reason, the Rules Committee proposes that when a senator is granted a leave of absence because of criminal charges, the Internal Economy Committee be empowered to suspend access to some or all of the Senate resources, if appropriate. This would not affect the sessional allowance. Internal Economy is not required to suspend these resources, but would be able to act if needed. This proposal is found in the new rule 140(2.1).

The second major issue has to do with the period of time between a senator being found guilty and sentencing. Under the current system, the senator continues to receive the sessional allowance for this period. It again appears more appropriate to introduce the possibility of a level of control. For this reason, the Internal Economy Committee would be empowered, under the proposed rule 139(2.1), to suspend the sessional allowance payable to the senator found guilty but not yet sentenced. This would provide a means to address particular situations in which this may be appropriate, but avoids a sort of rigid one-size-fits-all approach.

Finally, the Rules Committee also noted that under the current system it is the senator charged with an offence who must provide the letter that triggers a leave of absence. It is felt that a fallback should be available to deal with a situation in which this document is not provided within a reasonable period of time. The proposed revisions in rules 140(1) and 140(2) would allow the Speaker to table the necessary document in such case.

Honourable senators, as I noted at the outset, these changes are fairly simple, but they would introduce a level of flexibility and added oversight to these provisions of our rules. I encourage their adoption after due consideration.

(On motion of Senator Tardif, debate adjourned.)

[Translation]

ADJOURNMENT

MOTION ADOPTED

Leave having been given to revert to Government Notices of Motions:

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 58(1)(h), I move:

That when the Senate adjourns today, it do stand adjourned until Tuesday, December 6, 2011, at 2 p.m.

The Hon. the Speaker: Honourable senators, is leave granted?

Hon. Senators: Agreed.

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

Hon. Senators: Agreed.

(Motion agreed to.)

(The Senate adjourned until Tuesday, December 6, 2011, at 2 p.m.)

APPENDIX

Officers of the Senate

The Ministry

Senators

(Listed according to seniority, alphabetically and by provinces)

THE SPEAKER

The Honourable Noël A. Kinsella

THE LEADER OF THE GOVERNMENT

The Honourable Marjory LeBreton, P.C.

THE LEADER OF THE OPPOSITION

The Honourable James S. Cowan

OFFICERS OF THE SENATE

CLERK OF THE SENATE AND CLERK OF THE PARLIAMENTS

Gary W. O'Brien

LAW CLERK AND PARLIAMENTARY COUNSEL

Mark Audcent

USHER OF THE BLACK ROD

Kevin MacLeod

THE MINISTRY

(In order of precedence)

(December 1, 2011)

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Minister of Public Works and Government Services

Minister of State (Status of Women)

Minister of Human Resources and Skills Development

Minister of International Cooperation

Minister of Foreign Affairs President of the Treasury Board

Minister for the Federal Economic Development Initiative

for Northern Ontario

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Minister of Agriculture and Agri-Food Minister for the Canadian Wheat Board

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Minister of Health

Minister of the Canadian Northern Economic Development

Agency

Minister of Fisheries and Oceans and Minister for the Atlantic Gateway

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Minister of Labour

Minister of National Revenue

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(La Francophonie)

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Minister of State (Seniors) Minister of State (Sport)

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ACCORDING TO SENIORITY

(December 1, 2011)

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toste (timer, 1.0		. Zame Tagasini de Desimares, Que.

SENATORS OF CANADA

ALPHABETICAL LIST

(December 1, 2011)

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	Ontario		
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	Ontario		
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Nenny, Conn		Fredericton, N.B.	

		Post Office	Political
Senator	Designation	Address	Affiliation
		11001000	
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Piett, Donald Nell	Landmark	Landmark, Man	Conservative
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Divord Michel	The Laurentides	Ouebec Oue	Conservative
Divert Jean Claude	Stadacona	Quebec, Que	Independent
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BY PROVINCE AND TERRITORY

(December 1, 2011)

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			Toronto
		Toronto	
		Ontario	
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