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OFFICIAL REPORT
(HANSARD)

Thursday, March 29, 2012

The Honourable NOËL A. KINSELLA
Speaker

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

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THE SENATE

Thursday, March 29, 2012

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

Prayers.

[*Translation*]

FINANCIAL SYSTEM REVIEW ACT

BILL TO AMEND—MESSAGE FROM COMMONS

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-5, An Act to amend the law governing financial institutions and to provide for related and consequential matters, and acquainting the Senate that they have passed this bill without amendment.

[*English*]

SENATORS' STATEMENTS

TOBIQUE FIRST NATION

FLOOD OF 2012

Hon. Sandra Lovelace Nicholas: Honourable senators, it is called the flood of 2012.

Over the last few weeks I have witnessed the flash flood that devastated Perth-Andover and my community, the Tobique First Nation, in New Brunswick. Over 500 people were evacuated and millions of dollars in damage was reported. There were 14 homes evacuated in my community and hundreds of people were affected. Many elders in my community said this was the worst flood they ever witnessed.

Honourable senators, it was a very sad weekend for the people as a result of this flood. Volunteers from all walks of life worked together, night and day, so people whose homes were affected could sleep.

People from both communities are still working together, with donations of clothing, furniture, personal products and food. It is thanks to them that we will survive this devastation. It was a miracle that no one was hurt, and I thank the Creator for that.

[*Translation*]

INTERNATIONAL ADULT LEARNERS' WEEK

Hon. Jacques Demers: Honourable senators, I am pleased to speak to you here today to recognize International Adult Learners' Week in Canada, which is being held from March 24 to April 1.

I invite you all to join me in promoting the importance of this international event and to learn more about the efforts and accomplishments of everyone taking part, teachers and learners alike.

Honourable senators, I cannot emphasize enough the importance of education throughout our lives. There is no age limit on learning, and all adults should have the opportunity to improve their everyday lives. I am very honoured to pay tribute to all adult learners and to express my thanks.

Hon. Senators: Hear, hear!

[*English*]

THE HONOURABLE HERBERT O. SPARROW, C.M.

CONGRATULATIONS ON INDUCTION
TO THE SOIL CONSERVATION HALL OF FAME

Hon. JoAnne L. Buth: Honourable senators, I am very pleased to announce that last week, on March 21, 2012, retired Senator Herb Sparrow was inducted into the Soil Conservation Hall of Fame on the occasion of the twenty-fifth anniversary of the Soil Conservation Council of Canada.

In his 37 years in the Senate, Herb Sparrow made one of the most important contributions to Canadian farmers. As most senators, he served on a number of Senate standing committees, but most importantly he chaired the Standing Senate Committee on Agriculture, Fisheries and Forestry. Under his leadership, the committee studied soil health and soil conservation in Canada and published a watershed document entitled *Soils at Risk: Canada's Eroding Future*.

I have spent most of my career in agriculture. When I recently became a senator one of my first thoughts was "Would I be able to make a difference? Who did I know that had made a difference as a senator?" Of course, the first name that came to mind was Senator Herb Sparrow.

• (1340)

Although we have never met, I certainly know of him. Actually, everyone with a background in agriculture is very aware of the tremendous positive impact that he has made on Canadian agriculture sustainability.

One of my first requests when I arrived in Ottawa was to obtain a copy of the report. The Library of Parliament informed me that this was the most requested publication of any produced by the Senate.

Soils at Risk: Canada's Eroding Future was highly influential. It increased the awareness of the seriousness of soil degradation and led to increased government programming for soil conservation and to changes in farming practices.

It is because of Herb Sparrow's leadership that the Soil Conservation Council of Canada was formed and has grown to become one of the most influential agricultural organizations today.

Through his passion and commitment to soil conservation, the Honourable Herb Sparrow made soil conservation a national issue and influenced a change in farming practices across Canada that has made farming more profitable and our farms more environmentally sustainable.

Honourable senators, please join me in congratulating the Honourable Herb Sparrow on his induction into the Soil Conservation Hall of Fame.

ELECTION ETHICS

Hon. Nicole Eaton: Honourable senators, it was a bitter and volatile campaign. Accusations of inconsistency, incompetence and scandal filled the air.

Candidates competed to portray themselves as the true conservative or liberal choice, while voters fretted about the economy and war threatened in the Middle East.

One candidate was a political outsider from a small town. He was a brilliant man and a gifted speaker with the burning desire to gain the highest office.

As the campaign approached, his brother decided that his older sibling needed to learn a few things about how to win an election.

After all, he had many wonderful qualities, but those he lacked he had to acquire.

He had so many potential enemies that he could not afford to make any mistakes. He had to conduct a flawless campaign, with the greatest thoughtfulness, industry and care.

He laid out an election plan. Here is a sampling of his political wisdom: Promise everything to everyone, but only live up to those promises that benefit you. People will be much angrier with a candidate who refuses to make promises than with one who, once elected, breaks them.

Call in all favours. If you have helped friends or associates in the past, let them know that it is payback time. Remind them all that you have never asked anything of them before, but now is the time to make good on what they owe you.

If someone is not in your debt, remind them that, if elected, you can reward them later but only if they back you now.

Know your opponent's weaknesses and exploit them. A winning candidate calmly assesses his opponent and then focuses relentlessly on his weaknesses, all the while trying to distract voters from his strengths.

Flatter voters shamelessly. A candidate must make voters believe that he thinks they are important. Shake their hands. Look them in the eye. Listen to their problems. Give people hope. Even the most cynical voter wants to believe in something. Voters

who are persuaded that you can make their world better will be your most devoted followers, at least until after the election, and then you will inevitably let them down.

Did the advice work? His brother won with more votes than any other candidate, went on to save the republic from a conspiracy, and was eventually given the honourific title of father of his country. Unfortunately, he fell afoul of Marc Antony and was murdered in 43 B.C.

Did I fail to mention that the candidate was Marcus Tullius Cicero, and the election was in Rome in the year 64 B.C.?

Plus ça change, plus c'est la même chose.

I wish to thank Philip Freeman for reminding us of this piece of history in *The Wall Street Journal*.

THE HONOURABLE ASHA SETH

Hon. Don Meredith: Honourable senators, on Saturday, March 24, Senator Consiglio Di Nino, the Honourable Vim Kochhar, and Mr. John Rafferty, CEO and President of the Canadian National Institute for the Blind, hosted a reception celebrating the appointment of Senator Asha Seth to this place. The reception, the proceeds of which will further delivery of the CNIB's essential services and programs, was also supported by Indo-Canadian organizations like the Canada India Foundation, the Canadian Museum of Hindu Civilization, and the Indo-Canada Chamber of Commerce.

My wife and I had the privilege of attending this event, along with Senator David Smith, members of Parliament and friends of our new colleague. It was great to see the outpouring of love and support from the over 200 people who were in attendance to celebrate this community leader who has dedicated her life to serving Canadians.

As our Prime Minister, the Right Honourable Stephen Harper, noted in his greeting that night:

Senator Seth has enjoyed a lauded career as an obstetrician and gynecologist, yet her commitment to service extends far beyond her medical practice. As the founding president of the NIMDAC foundation, Senator Seth has dedicated her considerable talents to supporting organizations such as the Heart and Stroke Foundation, the Canadian Foundation for Physically Disabled Persons and the CNIB. Her active involvement in numerous charities has benefited communities in Canada and around the world.

The Honourable Jason Kenney, Minister of Citizenship, Immigration and Multiculturalism also sent greetings commending Senator Smith on her accomplishments. He stated:

I would like to commend Senator Asha Seth on her extraordinary accomplishments, which are a great inspiration to us all. It is by example that you show us the impact that one individual can have in the lives of others, and that we all play an important role in Canada's multicultural mosaic.

Honourable senators, please join me and members of the community in celebrating the contributions and the appointment of our colleague Senator Asha Seth to this place.

ROUTINE PROCEEDINGS

SENATE ETHICS OFFICER

2011-12 ANNUAL REPORT TABLED

The Hon. the Speaker: Honourable senators, I have the honour to table, in both official languages, the 2011-12 Annual Report of the Senate Ethics Officer, pursuant to section 20.7 of the Parliament of Canada Act, R.S.C. 1985, c.P-1, as am. by S.C. 2004, c.7; S.C. 2006, c.9.

Honourable senators, I wish to read into the record the letter of transmittal, dated March 29, 2012, to the Speaker of the Senate:

Dear Mr. Speaker,

It is my honour and pleasure to submit to you the seventh Annual Report of the Senate Ethics Officer, pursuant to section 20.7 of the *Parliament of Canada Act*, R.S.C. 1985, c.P-1, as am. by S.C. 2004, c.7; S.C. 2006, c.9. It covers the period from April 1, 2011 to March 31, 2012.

Through you, I would like to express my sincere appreciation and gratitude to all senators for the cooperation and support they have provided to me and my office.

Yours sincerely,
Jean T. Fournier.

VISITOR IN THE GALLERY

The Hon. the Speaker: Honourable senators, I wish draw your attention to the presence in the Governor General's gallery of Mr. Fournier, who will soon retire as the Senate Ethics Officer.

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

Hon. Senators: Hear, hear.

• (1350)

[*Translation*]

PASSPORT CANADA

USER FEE PROPOSAL—DOCUMENT TABLED AND REFERRED TO FOREIGN AFFAIRS AND INTERNATIONAL TRADE COMMITTEE

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, pursuant to section 4 of the User Fees Act, I have the honour to table, in both official languages, Passport Canada's fee-for-service proposal to Parliament.

[Senator Meredith]

After consultation with the Leader of the Opposition, the Standing Senate Committee on Foreign Affairs and International Trade was chosen to study this document.

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

FOREIGN AFFAIRS

CANADA'S ENGAGEMENT IN AFGHANISTAN— FINAL REPORT TABLED

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, I have the honour to table, in both official languages, the 14th and final report to Parliament entitled *Canada's Engagement in Afghanistan*.

[*English*]

CONFLICT OF INTEREST FOR SENATORS

THIRD REPORT OF COMMITTEE PRESENTED

Hon. Terry Stratton: Honourable senators, I rise today to submit the third report of the Standing Committee on the Conflict of Interest for Senators which deals with revisions to the Conflict of Interest Code. However, before I do that, I would like to pay tribute to Mr. Fournier for his service to this chamber.

I have been the Chair of the Conflict of Interest Committee for just a short while, and perhaps Senator Joyal would like to say something after I have, but I would like to take this time to express my thanks because in working with Mr. Fournier I have found him to be very diligent and cooperative. I would say the best word that I can use for him is "persistent" because he made sure I did not forget what we are trying to get done here.

To you, Mr. Fournier, and your wife, I know you are waiting to be able to get out to British Columbia and not come back here, so for that and for your service here over the years to our chamber and for the help that you have given the committee for the time I have been chair, I thank you very much and wish you good health.

[*Translation*]

Hon. Serge Joyal: Honourable senators, I am looking at the Deputy Leader of the Government, and I know that we are not following the *Rules of the Senate* by paying tribute to the ethics officer, Mr. Fournier, at this time.

I would like to tell Mr. Fournier how much we have appreciated his knowledge of the Senate as an institution. In carrying out his duties, he took on the heavy responsibility of ensuring one of the privileges of this chamber: to maintain discipline within its walls for each and every senator.

I would like to thank Mr. Fournier. I had the pleasure of working closely with him and with committee members, including the Deputy Chair, Senator Andreychuk, Senator Angus, Senator Robichaud and Senator Carstairs. We always did our best to ensure openness and to respect each member's commitment to upholding the highest ethical standards. Mr. Fournier helped us achieve that goal, and we will always be grateful to him for that.

Hon. Claude Carignan (Deputy Leader of the Government): Honourable senators, the tribute may not have been in accordance with the *Rules of the Senate*, but it was certainly in accordance with this chamber's rules of good manners and ethics.

[English]

Senator Stratton: Honourable senators, I have the honour to present, in both official languages, the third report of the Standing Committee on the Conflict of Interest for Senators. This report recommends the adoption of the amended Conflict of Interest Code for Senators.

(For text of report, see today's Journals of the Senate, Appendix A, p. 1010.)

The Hon. the Speaker: Is it agreed that we accept the presentation of this report at this time, honourable senators?

Hon. Senators: Agreed.

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

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

INTERNAL ECONOMY, BUDGETS AND ADMINISTRATION

NINTH REPORT OF COMMITTEE PRESENTED

Hon. David Tkachuk, Chair of the Standing Committee on Internal Economy, Budgets and Administration, presented the following report:

Thursday, March 29, 2012

The Standing Committee on Internal Economy, Budgets and Administration has the honour to present its

NINTH REPORT

Your Committee recommends that the following funds be released for fiscal year 2012-2013.

Banking, Trade and Commerce (Legislation)

Professional and Other Services	\$	0
Transportation and Communications	\$	0
All Other Expenditures	\$	7,300
Total	\$	7,300

Conflict of Interest for Senators

Professional and Other Services	\$	50,000
Transportation and Communications	\$	0
All Other Expenditures	\$	0
Total	\$	50,000

(includes funds for sole source for professional services)

Legal and Constitutional Affairs (Legislation)

Professional and Other Services	\$	22,500
Transportation and Communications	\$	0
All Other Expenditures	\$	5,000
Total	\$	27,500

Scrutiny of Regulations (Joint)

Professional and Other Services	\$	900
Transportation and Communications	\$	750
All Other Expenditures	\$	1,350
Total	\$	3,000

Respectfully submitted,

DAVID TKACHUK
Chair

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

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

[Translation]

ENERGY, THE ENVIRONMENT AND NATURAL RESOURCES

BUDGET—STUDY ON CURRENT STATE AND FUTURE OF ENERGY SECTOR—THIRD REPORT OF COMMITTEE PRESENTED

Hon. Grant Mitchell, Deputy Chair of the Standing Committee on Energy, the Environment and Natural Resources, presented the following report:

Thursday, March 29, 2012

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

THIRD REPORT

Your committee, which was authorized by the Senate on Thursday, June 16, 2011, to examine and report on the current state and future of Canada's energy sector (including alternative energy), respectfully requests funds for the fiscal year ending March 31, 2013.

Pursuant to Chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that committee are appended to this report.

Respectfully submitted,

GRANT MITCHELL
Deputy Chair

(For text of budget, see today's Journals of the Senate, Appendix B, p. 1045.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

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

[English]

CRIMINAL CODE FIREARMS ACT

BILL TO AMEND—TENTH 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, March 29, 2012

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

TENTH REPORT

Your committee, to which was referred Bill C-19, An Act to amend the Criminal Code and the Firearms Act, has, in obedience to the order of reference of Thursday, March 8, 2012, 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?

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

[Senator Mitchell]

[Translation]

TRANSPORT AND COMMUNICATIONS

BUDGET—STUDY ON EMERGING ISSUES RELATED
TO CANADIAN AIRLINE INDUSTRY—
FOURTH REPORT OF COMMITTEE PRESENTED

Hon. Dennis Dawson, Chair of the Standing Senate Committee on Transport and Communications, presented the following report:

Thursday, March 29, 2012

The Standing Senate Committee on Transport and Communications has the honour to present its

FOURTH REPORT

Your committee, which was authorized by the Senate on Wednesday, June 15, 2011 to examine and report on emerging issues related to the Canadian airline, respectfully requests funds for the fiscal year ending March 31, 2013.

Pursuant to Chapter 3:06, section 2(1)(c) of the *Senate Administrative Rules*, the budget submitted to the Standing Committee on Internal Economy, Budgets and Administration and the report thereon of that committee are appended to this report.

Respectfully submitted,

DENNIS DAWSON
Chair

(For text of budget, see today's Journals of the Senate, Appendix C, p. 1055.)

The Hon. the Speaker: Honourable senators, when shall this report be taken into consideration?

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

[English]

NATIONAL FLAG OF CANADA BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-288, An Act respecting the National Flag of Canada.

(Bill read first time.)

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

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

• (1400)

[Translation]

LONG-GUN REGISTRY

TABLING OF DOCUMENTS—NOTICE OF MOTION

Hon. Céline Hervieux-Payette: Honourable senators, pursuant to rule 58(1)(i), I give notice that, at the next sitting of the Senate, I will move:

That the document entitled “*Canadian experts opposed to the abolition of the long gun registry Bill C-391, 2009-2010*”, which contains the names of 298 organizations and esteemed individuals, and which was referred to on March 8 during second reading debate on Bill C-19, be deemed to have been tabled in the Senate and to form part of the official record of the proceedings of this chamber.

[English]

VISITORS IN THE GALLERY

The Hon. the Speaker: Honourable senators, before calling for Question Period, I would like to draw your attention to the presence in the gallery of representatives of the National Hockey League Alumni officials, including Debbie Sittler and Wendy McCreary.

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

Hon. Senators: Hear, hear.

[Translation]

QUESTION PERIOD

TRANSPORT

AIR CANADA—AVEOS

Hon. Maria Chaput: Honourable senators, my question is for the Leader of the Government in the Senate. On Tuesday, March 27, I asked you a question about Aveos. I asked whether your government was prepared to intervene in this matter in order to prevent job losses in Canada. Today I learned that the 412 employees of Aveos in Winnipeg have not received their paycheques. One of the employees, Mr. Whelan, said in an article in the *Free Press*:

[English]

I should have had 150 hours of pay on my last paycheque — two weeks’ salary and 70 hours of banked time — and I got zero.

He added:

There’s nothing tying us over . . .

These 412 employees have no final paycheque, no severance pay, no pension money, nothing — not even Employment Insurance benefits in the near future.

[Translation]

I will repeat the question I asked on Tuesday: do you not agree that Air Canada must obey the law? Is your government prepared to intervene? This is an urgent matter.

[English]

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, obviously the loss of these jobs is devastating to the workers of Aveos. The Minister of Transport, Minister Lebel, has expressed, on behalf of the government, our disappointment at how Aveos has treated their employees during this challenging period of time. The legal advice that the Minister of Transport received stated that Air Canada is in compliance with the act.

In committee today in the other place, I understand that Air Canada stated their commitment to keeping these jobs in Canada. Obviously, as I stated at the outset, honourable senators, this is an unfortunate situation. Aveos is a private company. At the moment, I can only put on the record what transpired today with the Minister of Transport.

[Translation]

INDUSTRY

AIR CANADA—AVEOS

Hon. Céline Hervieux-Payette: Honourable senators, my question is also for the Leader of the Government in the Senate, to help the Aveos workers. I just learned that the minister is as sorry as we are that these people are losing their jobs. We may have some solutions.

We know that the Air Canada Public Participation Act of 1988 stipulated that the Air Canada service centres had to be maintained in Montreal, Toronto and Winnipeg. Three centres are now closed. Minister Lebel refuses to intervene, saying that it is a business matter between two private companies. However, he is part of the same government that came to the rescue of the banks and the automakers like GM and Chrysler to the tune of billions of dollars, when the financial crisis harshly affected their bottom lines.

When will Minister Lebel reopen the dialogue with the Aveos workers and ensure the financial sustainability of the company by taking the same measures that were taken to bail out GM and Chrysler?

In the past, we saw Air Canada employees make sacrifices to save the company. Our legislation allows the government to give a company such as Aveos a new financial structure in order to save it.

Could the minister tell us whether her government intends to help save these three maintenance centres and this company with the help of Aveos workers?

[English]

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, I cannot add anything more than I said in response to Senator Chaput. The legal advice that the Minister of Transport received was that Air Canada is in compliance with the act. That addresses the whole issue of the law.

Air Canada, in accordance with what was the agreement, did state in committee today that they are committed to keeping these jobs in Canada.

Aveos is a private company, as I explained a moment ago. The government, through Minister Lebel, expressed our extreme disappointment at the way the company has treated its workers. It is a private company, but Air Canada has committed to keeping these jobs in Canada. It is to be hoped that the employees of Aveos will find employment with the other companies that Air Canada is planning to do business with.

Senator Hervieux-Payette: Honourable senators, I am not addressing the request to Minister Lebel. I am addressing this to the Minister of Industry, who found a way to save jobs at Chrysler and General Motors, and to support our banks during the crisis.

We are now going through another phase of difficulties with another company. We have dealt with private-sector companies and we have helped them. I am talking about management by assistance, a procedure whereby the employees of Aveos could buy the company that is in difficulty with assistance, both technical and financial, from the government and, probably, private-sector banking.

Why is the Minister of Industry not coming forward to offer help and support so that Air Canada can fulfil its obligation and these workers will get their jobs back?

Senator LeBreton: Honourable senators, Air Canada has already made a commitment this morning to fulfil its obligations.

With regard to the honourable senator's reference to General Motors and Chrysler, I think the circumstances, in the midst of a worldwide economic downturn, involved the auto industry impacting all of the country in many aspects. The agreement with regard to Chrysler and General Motors was an agreement put together not only by the federal government, but also by the provincial government and the government of the United States. I dare say, honourable senators, that it would be quite a stretch to compare Aveos to General Motors and Chrysler Canada.

Senator Hervieux-Payette: Honourable senators, I beg to differ from that opinion. This government recently passed a law to help Air Canada which is, in terms of its financial situation, certainly

not in a good position. We have seen, over the years, that this is an industry where it is problematic not only in our country, but in many countries around the world.

• (1410)

We are dealing with planes on one side and a maintenance centre on the other. I guess it is easy to understand we are dealing with 80 per cent of the airline industry in this country.

Would the leader be prepared to talk to the Minister of Industry to see if he can put together a proposal to sit at the table with Air Canada, with Aveos employees and with people who are willing to come to its rescue and determine how to put together a rescue package for Aveos, which is currently facing a difficult situation?

Senator LeBreton: First, the honourable senator has characterized the government legislation with regard to Air Canada improperly, I would say. The government passed that legislation in the interests of the Canadian economy and the travelling public.

Obviously, Air Canada is a private company and Aveos is a private company. We do know from the testimony we had here in the Senate that there are ongoing negotiations. However, I wish to correct the intent of our legislation, which was in the interests of the Canadian economy and the travelling public.

TRANSPORT

AIR CANADA—AVEOS

Hon. Maria Chaput: Honourable senators, I believe I heard the leader say that Air Canada has made a commitment. Could she tell me what that commitment is all about?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, all I know is that Air Canada, in their appearance before a committee today, stated their commitment to keep these maintenance jobs in Canada in compliance with the law.

Senator Chaput: In the meantime, what do the employees do? They are short of the last two weeks' paycheques. They have nothing to fall back on. What do they do?

Senator Tardif: Good question.

Senator LeBreton: As I stated, this is a devastating situation for the employees of this company. Obviously, the government is concerned that the company would treat its employees this way. I would hope that the company would reflect upon the sacrifices and hardships they are imposing on their own workers and take measures to assist these people in any way they can.

[Translation]

Hon. Jean-Claude Rivest: Honourable senators, the Premier of Quebec, Jean Charest, indicated that he has been in contact with the premiers of Manitoba and Ontario to help Aveos workers.

Is the Government of Canada prepared to meet with the premiers of these three provinces so that they can all pool their resources and help Aveos workers?

[Senator Hervieux-Payette]

[English]

Senator LeBreton: Honourable senators, again, Aveos is a private company and Air Canada is a private company. Air Canada made a commitment today to keep these jobs in Canada.

I have not heard or read what Premier Charest has said. I am not familiar with the exact context of when he said it, but I will certainly get further information for the honourable senator.

[Translation]

Senator Chaput: Honourable senators, since the premiers of the three provinces want to work with the federal government to find a solution and since the mayors of the three cities affected in those three provinces have written a joint letter to Prime Minister Harper, I think that this is an excellent opportunity for the federal government, the provincial governments and these three cities to work together to find a way to keep these jobs in Canada. Do you not agree?

[English]

Senator LeBreton: I will simply say to Senator Chaput what I said to Senator Rivest. I will ascertain the context in which the premiers met and what commitments they made, and I will reply if I have anything further to add from the federal government side.

FISHERIES AND OCEANS

PROTECTION OF FISH HABITAT

Hon. Nick G. Sibbeston: Honourable senators, my question today is with respect to matters dealing with the Fisheries Act.

Recent documents made available suggest that the government plans to remove protection of fish habitat from the Fisheries Act. This, of course, will affect situations in the South but also in the North. In that regard, I am very concerned.

Minister Ashfield has not denied the report but says a decision has not yet been made. Nonetheless, it seems clear that substantive changes are planned.

Two former fisheries ministers from the Mulroney government, Tom Siddon and John Fraser, have strongly criticized the proposal. Mr. Siddon says there is no justifiable excuse for the changes, and Mr. Fraser was even stronger in his comments, saying that the proponents of the changes are not real Conservatives. They and other critics suggest that the government is giving in to industry complaints and is trying to smooth the process for the Enbridge Northern Gateway Project in British Columbia.

A letter signed by 625 scientists, many of them prominent, has been sent to the minister asking him to reconsider these moves. They believe weakening habitat protection will make Canada look irresponsible internationally.

Does the government plan to make these drastic changes to the Fisheries Act? If so, what is the rationale for doing so? Has the government abandoned the idea of sustainable development in favour of development at any cost, including our environment?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, first, all these stories are based on a purported leaked document that indicated there were plans to amend a section of the Fisheries Act. No decision — I repeat, no decision — has been made. The government is, though, reviewing fish habitat protection policies to ensure that we are respecting their conservation objectives.

Recent speculation about the review is inaccurate, as I hinted to a moment ago. However, the government has been clear all along that the existing policies can be arbitrary. We have all heard examples about some of these policies, which do not reflect the priorities of Canadians. We will want to focus our activities on protecting natural waterways that are home to the fish Canadians value most instead of focusing on flooded fields and ditches.

With regard to the comments of Mr. Siddon and Mr. Fraser, both of whom I personally know, I was rather bemused, quite frankly, especially when I read the comments of Mr. Fraser, former Minister of Fisheries and Oceans. Of course, he did not have a very good outcome in that portfolio, but we will not go there.

The fact of the matter is that Mr. Fraser —

Senator Munson: Tainted tuna!

Senator LeBreton: — in his comments suggested that the government should have picked up the phone and consulted with him. I can say to Mr. Fraser that the phone works both ways; if he had some concerns, why did he not pick up the phone and call us? He has more time than we do.

Senator Munson: He was one of the leader's friends. In any case, tainted tuna was long ago.

JUSTICE

ILLICIT DRUG STRATEGY

Hon. Jim Munson: Honourable senators, my question is for the Leader of the Government in the Senate. Some honourable senators, as I did, may have noted with special interest the report of leading Canadian public health physicians calling on this government to completely reconsider its drug policy.

Yesterday, the chief medical officers for the provinces of British Columbia, Saskatchewan and Nova Scotia, along with the Co-director of the Urban Health Research Initiative at the BC Centre for Excellence in HIV/AIDS published an article in the peer-reviewed open access journal *Open Medicine*. The article makes a compelling case for the taxation and regulation of marijuana.

I think we all agree that addiction should be considered primarily a health issue and not one of criminal justice. Unlike Canada, U.S. states such as New York, Michigan, Massachusetts and Connecticut are repealing mandatory minimum sentences for non-violent drug offences.

Given that 50 per cent of Canadians already support the legalization of marijuana or cannabis, I think it is time we start asking ourselves, what are we doing?

Hon. Marjory LeBreton (Leader of the Government): Honourable senators, I think it is clear. The government is very clear in its position on marijuana. We just passed a bill through this place, Bill C-10. I did note yesterday the leader of the third party in the other place asking a rather confusing question on this issue. We are well aware of the views of these gentlemen. The government's position on legalizing marijuana is clear. We do not intend to change that position.

• (1420)

Senator Munson: That is too bad.

As the spokesperson — what is that, Senator Duffy?

Senator Duffy: You're too old for that stuff.

Senator Munson: Well, there was a time.

Senator Duffy: I know.

Senator Munson: Let us not start talking about the National Press Club in the 1960s, 1970s and 1980s, Senator Duffy. That will be another story, but that will be in my book, so do not worry about that — no pictures, just a story.

Some Hon. Senators: Oh, oh!

Senator Munson: My supplementary question is for the Leader of the Government in the Senate. A spokesperson for the Minister of Justice Rob Nicholson noted that the government through its law-enforcement-centred drug policy is not trying to punish addicts. While that may be true, it is clear this detracts from a health-based approach focused on harm reduction. Indeed, in 2001, during the last review of Canada's drug strategy, the Auditor General estimated that of the \$454 million spent annually on efforts to control illicit drugs, \$426 million, or 93.8 per cent, was devoted to law enforcement.

Opponents of drug policy reform argue that shifting our focus from law enforcement will increase drug use, but this, however, is not the case. In fact, the World Health Organization has concluded that countries with stringent user-level illegal drug policies did not have lower levels of use than countries with liberal ones.

Let us look at Portugal, for example. It decriminalized all drug use in 2001, 11 years ago. It has seen reductions in problematic use, drug-related harms and criminal justice overcrowding, all the while maintaining rates of drug use among the lowest in the European Union.

With such evidence, why is the leader's government pursuing drug policies that have already proven ineffective elsewhere?

Senator LeBreton: Senator Munson, Senator Duffy, I do not know whether or not that was a veiled threat, but I can tell you on that subject I will not be in the senator's book because I have no interest whatsoever in any drug.

First, the government did establish a National Anti-Drug Strategy in 2007. If the honourable senator is familiar with that strategy, the focus is on prevention and access to treatment for those with drug dependencies, while at the same time getting tough on drug dealers and producers who threaten the safety of our youth and our communities.

The National Anti-Drug Strategy is made up of three action plans: first, the Prevention Action Plan, which aims to prevent illicit drug use; second, the Treatment Action Plan, which aims to treat those with drug dependencies; and third, the Enforcement Action Plan, which aims to combat the production and distribution of illicit drugs.

It is quite incorrect, honourable senators, to characterize this as a program that does not have a large component of treatment and assistance for people who are, unfortunately, addicted to these drugs.

By the way, in 2009 — a scant couple of years ago — the honourable senator's own leader, Mr. Rae, voted in favour of our drug bill, which was then Bill C-15, so I guess there has been a change of heart along the way.

Senator Munson: Honourable senators, there is one thing on this side of the house: We do have our own opinions and we are allowed to express them. It is an interesting concept.

I would never get into the stories of Senator Duffy or any other senator here.

My third supplementary question is this. Our Defence Minister, Peter MacKay, recently met with his counterparts in the United States and Mexico. They are urging greater military cooperation on the war on drugs. Unfortunately, neither Mr. MacKay nor General Galván, the Secretary of National Defence for Mexico, questioned the prohibitionist drug policies that have proven to be an abject failure. The United States has spent an estimated \$1 trillion since former U.S. President Richard Nixon first declared the "war on drugs." Amazingly, their effort to reduce the supply of drugs through aggressive law enforcement policies has been totally ineffective. Instead, as we know, the prices of more commonly used drugs such as cannabis and cocaine have in fact decreased, while their availability and potency have both risen.

During their meetings, General Galván noted:

Marijuana is what gives drug trafficking networks the greatest resources to continue their nefarious work.

Honourable senators, if marijuana is the backbone of the drug-trafficking trade, would it not then make sense for us to sabotage their monopoly on supply by legalizing or decriminalizing cannabis? Would that not be the most effective policy in the war on drugs?

Senator LeBreton: Honourable senators, I would argue just the opposite. As the minister stated, I would argue that the policies that the government has implemented through our recently passed bill is the way. What we are trying to do is protect our

young people, protect our citizens, and crack down on grow ops and organized crime. I would think that most people would be applauding Minister MacKay and Secretary Panetta and their Mexican counterpart for taking steps in this regard. Anyone who watches the news on a nightly basis knows how serious this problem is and what it is doing to our society.

With regard to the honourable senator's comment that people on his side are entitled to their own opinion, I absolutely agree with him that that is the case; but it is also the case on this side as well.

[Translation]

IMMIGRATION AND REFUGEE BOARD—
TRANSLATION SERVICES

Hon. Pierre De Bané: Honourable senators, my question is for the Leader of the Government in the Senate. The Federal Court of Canada overturned an Immigration and Refugee Board decision that came from its Montreal office, because a unilingual anglophone board member accepted into evidence a document written in French, a language that individual does not understand. Unilingual board members usually have access to translation services for documentation and for the hearings, when they take place in the other official language.

Does the government not find it strange that board members who cannot work in French are members of the Immigration and Refugee Board in Montreal, a francophone environment where much of the work is conducted in French, and all this without the benefit of translation services?

[English]

Hon. Marjory LeBreton (Leader of the Government): The Immigration and Refugee Board offers services in the language chosen by the applicant, either of our official languages, English or French. These immigration and refugee individuals are chosen through a rigorous independent and merit-based process overseen by public servants.

With regard to Montreal, 21 members of the board are bilingual; 9 are unilingual francophones; and 2 are unilingual anglophones. Thirty per cent of the applications in that Montreal office are in English and those hearings are held in English.

• (1430)

Honourable senators, we would not want to get into a debate about the individuals working in the IRB and whether the individual is 1 of the 21 who are bilingual, 1 of the 9 who are unilingual francophone or 1 of the 2 who are unilingual anglophone. In all of these cases, the hearings are held in the language requested by the applicant.

Senator De Bané: Honourable senators, I believe that there is a misunderstanding. I am not asking that all commissioners in charge of this administrative tribunal be bilingual. Rather, I am telling the leader that the Federal Court has quashed a decision because the judge did not have the advantage of translation services, and he based his decision on a document written in the

other official language. The fact that the judge's decision was voided by the Federal Court shows that something was missing to support that judge so that he could understand the meaning of the document in French.

Senator LeBreton: I will not comment on a matter that was before the courts. The applicant would have requested a hearing in the language of the applicant's choice. I cannot get into why the Federal Court judge made such a ruling.

In all immigration cases, there are people well qualified and well equipped to deal with applicants in their official language of choice. I am not aware of what happened in this particular case, and I am not sure whether the case has been appealed; but I will not comment on anything before the courts.

I believe that there were erroneous reports about the services available in the Montreal office. I was simply putting on the record the situation in the Montreal office of the IRB.

[Translation]

Senator De Bané: Honourable senators, I would like to ask a final supplementary question.

The Hon. the Speaker: I regret to advise honourable senators that the time for question period has expired.

ROYAL ASSENT

The Hon. the Speaker informed the Senate that the following communication had been received:

RIDEAU HALL

March 29, 2012

Mr. Speaker,

I have the honour to inform you that the Right Honourable David Johnston, Governor General of Canada, signified royal assent by written declaration to the bills listed in the Schedule to this letter on the 29th day of March, 2012, at 2:06 p.m.

Yours sincerely,

Stephen Wallace
Secretary to the Governor General

The Honourable
The Speaker of the Senate
Ottawa

Bills Assented to Thursday, March 29, 2012:

An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2012 (*Bill C-34, Chapter 3, 2012*)

An Act for granting to Her Majesty certain sums of money for the federal public administration for the financial year ending March 31, 2013 (*Bill C-35, Chapter 4, 2012*)

An Act to amend the law governing financial institutions and to provide for related and consequential matters (*Bill S-5, Chapter 5, 2012*)

[English]

ORDERS OF THE DAY

FIRST NATIONS ELECTIONS BILL

THIRD READING—DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Patterson, seconded by the Honourable Senator Ogilvie, for the third reading of Bill S-6, An Act respecting the election and term of office of chiefs and councillors of certain First Nations and the composition of council of those First Nations.

Hon. Nick G. Sibbeston: Honourable senators, I am pleased to speak today at third reading of Bill S-6, the First Nations Elections Act.

As I indicated at second reading, this bill is an improvement over the current system of elections under the Indian Act. The bill came about because of the initiatives of the Assembly of Manitoba Chiefs and the Atlantic Policy Congress of First Nations Chiefs.

One of the major changes in this bill, which will improve the elections for First Nations, is the proposed four-year term instead of the two-year term under the Indian Act. Also, there will be a set common date for elections and a provision for appeals to be heard by the Federal Court.

As I also stated, and as was confirmed by the majority of witnesses who appeared before the committee, the bill is not perfect. Just as First Nations organizations were involved in bringing the bill forward, they were able to identify its flaws and propose solutions. Some of those flaws are reflected in the observations attached to the committee's report.

There are still paternalistic elements retained in Bill S-6, and it is still the view of many observers and of the members of the Standing Senate Committee on Aboriginal Peoples that the government does not understand the need for a stand-alone, First Nations-led elections commission and tribunal. I was disappointed when Minister Duncan came before the committee to introduce the bill because when I asked him about the tribunal or commission, it seemed that he was oblivious to the issue, and there did not appear to be any prospect of including such a tribunal in the bill.

[The Hon. the Speaker]

The observations in the report deal with these in detail and I commend them to you; they are good reading. The flaws remain, and individual First Nations will have to decide whether they are too great. This is opt-in legislation, and First Nations will get to pass judgment on whether it is suitable.

I truly believe that Bill S-6 could and should have been improved. In fact, I was hopeful that we would make improvements to the bill at committee. I worked diligently on a number of possible amendments. This was after listening to the First Nations who came before the committee. While they applauded and liked the bill, they thought there were certain areas that could be improved. These were the areas for which I proposed amendments.

The issues impacting First Nations are serious and should not be dealt with in a partisan way. I say this in a kind way, but when it came down to a vote eventually in committee at clause-by-clause consideration of the bill, I felt that the members were whipped and told to vote a certain way, which I thought truly lessened our ability to make appropriate amendments.

In the spirit of consensus in the North, which Senator Patterson and I are familiar with, we as a government have worked in the consensual way. We do not have party politics. It is a much improved system from the one we have here, where at times we seem to be divided on partisan issues, which is not good, rather than dealing with the merits of a case.

• (1440)

In the afternoon before the evening meeting when our committee was dealing with the bill clause by clause, Senator St. Germain, the chair, Senator Patterson, the sponsor, Senator Dyck, the critic, and I, who was very involved with the bill, met to deal with some possible four amendments. As a result, three amendments were dropped.

However, one seemed to have the support of everyone. Senator Patterson was assigned to deal with the minister and department officials and see if they would agree with the one amendment. This one amendment dealt with clause 3(1), which would have recognized the difference between bands having elections under the Indian Act and those having their own election codes.

Senator Patterson was sent away to fight for these changes, and we said, "Do not come back without bruises or scratches to show that you really fought to have this amendment approved." We did not hear from Senator Patterson until later that night, at the Senate meeting. When he came back and spoke about it, I did not see any scratches or bruises on his face, and it seemed as if he had changed his mind or had been convinced. He was now extolling the merits of leaving the section unamended, and it seemed as if he was toeing the department line.

We were all surprised. I think there were some miscommunications. I want to say that Senator Patterson did apologize for the miscommunications, particularly with Senator Dyck. I do not raise this issue to embarrass him in any way. I accepted his apology and am more than willing to continue working with him and other senators on our committee in a non-partisan and cooperative way.

That evening, when we were dealing with the one amendment that I had, senators on the Conservative side voted en masse against it and we lost. It was clear that the senators were whipped despite their sympathetic agreement with the amendment. The Conservatives voted against the amendment.

It is a situation where I think we could have improved the bill. We could have satisfied the First Nations who had concerns. Unfortunately, some partisan matters got in the way of it.

Who loses in a situation like this? First Nations really lose. One of the debates I made at the time was to free the First Nations people of our country because they have been subject to paternalism and bureaucratic control for so long. I saw the bill as an opportunity to free, in some small way, the choices and, consequently, the lives of First Nations people.

In the end, all we were able to effect were observations, the main one being that there ought to be a First Nations elections commission and tribunal. We hope someday that will come about.

I believe that all members of the Standing Senate Committee on Aboriginal Peoples are truly committed and sincere in trying to improve the lot of First Nations in our country. I hope in the future that no senator is whipped or told to vote in a particular way. I think the Aboriginal situation in our country needs all the help, improvements and love we can give to it in our work in Parliament.

Only in this collective way can we do our jobs as senators to amend legislation where it will improve the lives of First Nations in our country. I look forward to working with the committee members to make this happen.

Hon. Dennis Glen Patterson: I wonder if the honourable senator would entertain a question.

Senator Sibbeston: Yes, as long as it is not meant in a way to put me down.

Some Hon. Senators: Oh, oh.

Senator Sibbeston: Just say no.

Senator Patterson: With that caveat, I would like to go forward with my question.

I have the greatest of respect for the honourable senator on the other side with whom I have worked for many years in a consensual fashion, as he said. Having mentioned that I expressed my apologies for not having communicated with Senator Dyck, the deputy chair of our committee, about my efforts to ask the minister to consider the proposed amendments, I wonder if the honourable senator would acknowledge that his assistant, Mr. Trenholm, was informed that afternoon about the results of my discussions with the minister.

Senator Sibbeston: Yes, I can confirm that Senator Patterson did contact my assistant. He was able to tell him of the results of his efforts and did indicate that he was not successful. I did know. I did not hear from him directly, but through our assistants, I was able to know that he had not been successful.

(On motion of Senator Tardif, for Senator Dyck, debate adjourned.)

[Translation]

CERTAIN GOVERNMENT BILLS

FIRST REPORT OF SPECIAL COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Senate Committee on Certain Government Bills (*name change of the committee*), presented in the Senate on March 27, 2012.

Hon. Hugh Segal moved the adoption of the report.

(Motion agreed to and report adopted.)

[English]

INVOLVEMENT OF FOREIGN FOUNDATIONS IN CANADA'S DOMESTIC AFFAIRS

INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Eaton calling the attention of the Senate to the interference of foreign foundations in Canada's domestic affairs and their abuse of Canada's existing Revenue Canada Charitable status.

Hon. Nancy Ruth: Honourable senators, I rise to speak to Senator Eaton's inquiry with respect to foreign foundations in Canada.

If there is merit to this inquiry, it is in reminding us all that Canadians like to be vigilant about the relationship between funding and whose interests are being advanced. The reality for Canada has always been and will continue to be that there is foreign money all through Canada's development, including our oil and gas development.

I will begin by saying that I support the pipelines.

• (1450)

At the same time, I have three concerns about the inquiry. First, if there is going to be an inquiry into foreign influence on Canada's domestic policy, why is the net being cast so narrowly? Why are charities the only entities being subjected to such scrutiny? Second, what concrete evidence substantiates the claim that foreign foundations have pushed Canadian groups into taking positions that they would not otherwise have taken? Third, why are the existing mechanisms for policing the activities of Canadian charities considered inadequate? I will elaborate on each of these concerns.

First, why are Canadian charities the only target of the inquiry? Canadian NGOs comprise one set — but only one set — of actors involved in the pipeline debate. If the concern is about foreign

influence, then why is the inquiry not considering the lobbying efforts of foreign corporations with huge interests in the development of the oil sands and the construction of the pipeline? Why is the inquiry not considering the lobbying efforts of Canadian corporations with foreign investors?

Enbridge is a Canadian company by any measure. The Northern Gateway, however, will be built with the involvement of funding participants. Although it is not yet known who all the funding participants will be, we can anticipate that there will be a mix of Canadian and foreign investors. To what extent are foreign governments, which are eager to secure new sources of energy and whose companies may have direct interests in the export of Canadian oil and gas, seeking to influence our domestic policies?

Many charities in Canada receive donations from foreign sources every year. Yet the inquiry only focuses on those charities engaged in environmental issues. It does not appear to be concerned about advocacy undertaken by other Canadian charities that receive foreign donations. To quote Jim Flaherty, "all charities undertake advocacy." Again, why the narrow, exclusionary focus?

In our discussion, it is critical to remember that non-governmental organizations, NGOs, play vital roles in a democracy and many are partly funded by our government. Charities comprise a subset of NGOs that have charitable status. NGOs provide expertise and experience that can assist government officials in reaching more informed decisions.

My second concern is: Where is the evidence?

What concrete evidence substantiates the claim that foreign foundations have pushed Canadian groups into taking positions that they would not otherwise have taken? I doubt these groups are ciphers for foreign interests, having only opinions and no expertise. Those calling for an inquiry have made allegations of interference, abuse, political manipulation, influence peddling, money laundering, support for terrorism and active engagement in elections. Such serious charges must be substantiated with concrete proof.

Even if the Canada Revenue Agency required Canadian NGOs and foundations to publicly list all their foreign donations, what evidence is there that this money has pressured and manipulated Canadian groups into taking positions that they would not otherwise have taken? Could it not be that Canadian charities went looking for financial support, both within and without the country, to support their positions? We live in a global culture with global ideas.

Third, why are existing mechanisms deemed inadequate?

There is an implied criticism of Canada's mechanisms for regulating charities. Serious allegations have been made about the charitable sector. The accusations are expressed as generalities and not as concrete examples of charities breaching Canada's advocacy or lobbying rules. For example, they have been referred to as phantom charities, masquerading charities and shell foundations. They have been accused of using the majority of their resources for political activities and lobbying.

I would draw honourable senators' attention to Senator Wallace's review of the way advocacy is regulated by the Canada Revenue Agency. Charities cannot devote more than 10 per cent of their total resources a year to political activities; that is 10 per cent of all their money from all sources. This is not the majority of their resources. This is not the other 90 per cent of their resources. Every charity must make annual public disclosure of its ongoing programs, its new programs, whether political activities were undertaken, and how much was spent on them. Furthermore, there must be disclosure to the Canada Revenue Agency of donations over \$10,000 by any donor that was not a resident of Canada.

In short, the CRA has information on a charity's programs, its advocacy activities and its foreign donors. Hence, CRA is positioned to deal with abuses.

If one wants the CRA, the NGOs or charities to make foreign monies public, then that is fine with me if it does not infringe on the Canadian laws of privacy and the principle of confidentiality of tax. More transparency suits me, as it would let me see who is funding Ethical Oil and who its puppets are. Kathryn Marshall on *Power and Politics* on January 11, 2012 refused to identify Ethical Oil's supporters. However, even if this information was public, it would not give evidence that foreign monies sway Canadian minds.

In closing, I want to reinforce the importance of holding fair, inclusive and transparent hearings on the Northern Gateway pipeline. Continuing to argue that the review process is radicalized, hijacked and stacked may be a pre-emptive strike, but it is worth reflecting on what is being damaged in the process.

What is really being advocated is that some groups should have influence and others should not. What is really being advocated is that some points of view cannot be questioned, while others are a waste of time and cause delay.

The joint review panel needs to hear all points of view on both public interest and environmental assessment. To suggest that the joint review panel process has been hijacked by one set of interests, in this case the environmental interests, does a disservice to the whole process and risks undermining its credibility with Canadians. It is also contrary to the democratic principles that I hope all of us still hold dear. Thank you.

Hon. Dennis Glen Patterson: Honourable senators, I am pleased to rise today to speak on the subject of Senator Eaton's inquiry. First, let me make it clear where I stand. I care about the environment. I represent in this chamber, and have great respect for, the Inuit of Nunavut who, more than many other people in Canada, are spiritually bonded to the land and depend on its natural renewable resources more than most urban Canadians. I believe the original inhabitants of the North should have a primary role in determining what happens on their lands and waters, a role which is guaranteed in the Nunavut land claim.

I believe in the Inuit land claim, which established the co-management boards with guaranteed representation from Inuit and governments to consider resource development issues, from socio-economic and environmental impacts, to protection of water, land-use planning and wildlife management.

I believe in informed, balanced public debate on environmental and resource development policy. We Canadians are proud of our great country and its abundant natural resources. It is in our own best interest to safeguard these resources and ensure they are managed sustainably. We cherish our freedom of speech in Canada and I do not seek to muzzle public debate. However, I do think that Canadians, through their elected governments and the indigenous residents of affected regions, should be the ones to decide on the balance we all seek between environmental protection, social development and resource development.

What is the problem? U.S. and foreign-funded interest groups are spending vast amounts of money helping, they would say, to provide information and increase awareness of environmental issues in Canada. How could we be critical of that? How could we not welcome many millions of dollars that are being channeled into Canada by foreign donors to help us take care of our environment?

- (1500)

The first problem, as honourable senators will see, is that in some cases these groups are presenting inaccuracies, misinformation and only telling part of the story.

Second, thanks very much, but we do not need help. We have a flourishing democracy. We have institutions which have been established to provide a balanced and transparent forum for considering environmental impacts and benefits.

We do not need interference and manipulation from outside, even from our good friends in the U.S.A., and even from the European homelands of many Canadian settlers. If they want to set aside their own environmental challenges, U.S. citizens' obscene consumerism; their rapacious consumption of fossil fuels and water; their extensive coal-fired power plants; their obsession with cars; and if the Europeans want to overlook the destruction of their forests, natural environment and massive unpublicized and wasteful slaughter of what they consider animal pests, let them send their money to the developing world. We do not need foreign aid in Canada. In fact, there are some who would say that instead of calling this foreign aid, we should describe this phenomenon as making philanthropy an instrument of foreign policy. We do not need that help either. We can make our own made-in-Canada policies.

We in Canada cherish our sovereignty over lands and resources in the North, but sovereignty also means control over our right to determine our destiny in an environment where foreign, economic and trade interests are not exceeding the limits of political activity masquerading as environmentalists. In my research, I have come to realize that even remote Northern Canada is the recipient of foreign aid aimed at helping us to make decisions about managing our lands and resources.

I am participating in this inquiry because I respect our rights as Canadians to manage our lands and resources. I believe this right is threatened by unreported, unaccountable, foreign influences in public policy making, misinformation, bad science and non-permitted political activities.

Foreign money is flooding into Canada to influence public policy in Canada and in the North. In the last 10 years, Canadian environmental groups have reported to the Canada Revenue Agency a staggering \$2.4 billion in total revenue. Ducks Unlimited took in \$970 million. Another, Tides Canada, took in \$173 million. They took in so much money they could not spend it all, so they socked away \$40 million. They now have 250 employees; 10 years ago they had 9. The David Suzuki Foundation took in \$80 million.

As I will demonstrate, this money is even flowing into the remote regions of Northern Canada.

Why is this so important and of such concern? I believe foreign funding is a concern because it is coming from foreign foundations with agendas that are not necessarily in the best interests of our country and because these groups have become immensely powerful. Aided by press which oftentimes repeats misinformation without independent verification, they get the public worked up against the seal hunt, against the oil sands and against polar bear harvesting. They have sophisticated websites. They run ads.

These charities often thrive on misinformation or incomplete information. Coca-Cola, working with the World Wildlife Fund, is at this moment funding a campaign to convince the public that Canada needs to create what they call "the last ice refuge" for threatened polar bears in the Canadian Arctic. Never mind that the scientific research they are sponsoring is yet to be completed, or that Inuit hunters say polar bears have never been more plentiful.

Another problem I see is there is not enough transparency. I know a senior employee of Oceans North in Canada, another environmental group which has targeted Northern Canada. He is a good guy, a Newfoundlander, a sealer and a fisherman. I met with him recently to get a briefing on Oceans North and ask him some questions. Oceans North employs five people working in Canada, three in the U.S., plus consultants, has funded three major studies and a conference, and spent money on 45-foot refitted trawler research vessel and a four-person crew to study whale migrations in Lancaster Sound last summer. The trawler got stuck in the ice and could go nowhere, by the way. However, that senior employee could not tell me what Oceans North's budget was, nor what was the source of their funds, other than to say that he believed that the American Pew Foundation's money was filtered through Ducks Unlimited to Oceans North.

The Pew Foundation, according to their 2009 annual report, has annual revenues of \$360 million, assets of \$5.8 billion and its CEO reportedly earns \$1 million a year. The Pew Foundation — which is named after an American oilman who made his fortune from, among other sources, Suncor, the great Canadian oil sands company — is disbursing funds to Oceans North through a Canadian charity.

Under our present laws, Canadian charities are required to disclose only minimal information about donations or gifts from foreign sources and need not reveal the purposes for donations.

Honourable senators, it therefore seems that not enough transparency is required of non-profits. We need to know more about the source and purpose of their funds, especially their

foreign funding. It is hard to find out, because the funds are channeled through what I have learned can be a very tangled web, which in some cases includes public relations firms, including those active in some prominent political campaigns, and some owned by Canadians but receiving significant foreign money through charities.

Greater transparency would help us to better understand the motives and objectives of the donors. Yet our limited requirements on reporting for Canadian charities seem to allow massive non-profit corporations from foreign countries to donate to campaigns which sometimes seem to be engaged in improper political activity without enough scrutiny. If their own Canadian representatives do not know how much money is spent and how it is channeled, then how can Canadians? How can we consider what the true motivations might be?

I believe there may be much more to the environmental movement in Canada than meets the eye. If we look behind the fuel quality directive initiative in the European Community, we might find American charitable foundation money, directly or indirectly, undermining economic growth in Canada. Is this to benefit U.S. business interests?

The Great Bear Rainforest initiative, the Coast Opportunity Funds project area and the Pacific North Coast Integrated Management Area propose to restrict shipping in a huge area which covers the entire strategic course north of British Columbia, from the northern tip of Vancouver Island to the southern tip of Alaska. The Great Bear Rainforest initiative is aimed at protecting the habitat of the iconic spirit bear, even though its habitat is only a tiny fraction of that area.

Honourable senators might then ask: Why would U.S. interests want to strand Canadian oil in Canada, restricting Canadian oil exports overseas, forcing Canada to export only to the U.S. market for its abundant energy sources? The answer may lie in a study done by University of Calgary economist Michael Moore, who studied this question. Professor Moore noted that due to the lack of alternative markets for our oil, Canada pays a significant discount on oil sold to the U.S., a discount which is not small change. Over 15 years, Professor Moore estimates that this discount robs Canada of \$130 billion in oil revenues. Is it conceivable that by working to shut down the oil sands and ban tanker traffic on the West Coast, American foundations are working to advance the interests of the solar and wind industries in the U.S.?

The Energy Foundation, which has had more than \$500 million in revenue in recent years, admits very plainly that it seeks to develop a renewable energy market worth \$65 billion over the next 15 years. These American groups state clearly that the purpose of their campaigns against what they call "dirty energy" is to sway investment capital towards what they call "clean energy."

This may sound sinister, honourable senators, but think about this for a minute: Why do many environmental activists seem to pick their causes in Canada and ignore others? Why polar bears and not elephants? Why Canadian seals and not muskrats in

Europe? Why the oil sands and not coal-fired power plants? As has been verified by a recently published independent analysis, coal-fired power generators emit a lot more greenhouse gas than all the oil sands operations combined. They seem to have been given a pass by environmental activists, even though they are ubiquitous in the U.S., Ontario and Alberta.

My other big concern about some of these unaccountable environmental organizations, with their camouflage budgets and convoluted financial structures, is that they are sometimes using bad science and misinformation and getting away with it, aided by lazy journalists. Examples abound.

An environmental group called Corporate Ethics says the oil sands cover an area larger than England. This self-labelled ethics organization does not let the facts get in the way. Here are the facts: England is 130,000 square kilometres. The oil sands are 660, including a lot of remediated lands. That is exaggerating the truth roughly 200-fold.

• (1510)

The public has been made to believe that people in Fort Chipewyan have high rates of cancer even though the respected Royal Society of Canada has clearly shown there is no credible evidence to the support the commonly repeated media accounts of excess cancer in Fort Chipewyan caused by contaminants from oil sands operations.

All this hysteria generated by questionable science has one great benefit for fundraisers. It is very effective in generating gobs of money from well-intentioned but impressionable people who often live in polluted cities and have little or no understanding of Canada's natural resources and know nothing about the North. Resultant hysteria can be mobilized to pressure governments to change policies or reverse decisions.

I watched as this happened three summers ago in the High Arctic of Nunavut. Canada announced the establishment of a marine conservation area in Lancaster Sound in 2009. No oil and gas development would be allowed. This is in keeping with one of Oceans North's stated objectives.

Oceans North became involved. Their Nunavut director, as a spokesperson for Oceans North, began to whip up public sentiment against seismic testing, which was aimed at delineating the boundaries of the marine conservation area, not oil and gas exploration. He was interviewed on the radio rallying public support against the seismic testing. He made public statements exhorting the Government of Canada to stop seismic testing in Lancaster Sound. He not only exhorted the Government of Canada to reverse a decision made following the approval of regulatory authorities, he also turned his sights on a minister of the Government of Nunavut saying in a press release at the height of the controversy:

We urge Nunavut Environment Minister Daniel Shewchuk to intervene and not issue the permit for seismic work in Lancaster Sound.

Remember what Senator Wallace said earlier in this inquiry in his thoughtful discourse on the permitted political activities of a charity under Canadian law.

McGovern v. Attorney General defines political purpose as not being permitted to procure a reversal of government policy or particular decisions of governmental authorities in this country.

To me, the actions of Oceans North as a charitable organization in publicly pushing for a minister of the Crown to overrule an independent quasi-judicial co-management board set up under the land claim is political activity not permitted under our laws.

In closing, I want to make the following recommendations: Canada Revenue Agency should require more disclosure from Canadian charities, at least as much as the U.S. Internal Revenue Service requires from U.S. charities. The IRS requires non-profits to file a complete list of all grants made, including the name of the recipient, the stated purpose and the amount.

The IRS makes public all this information, whereas the CRA, which collects some grant information, recipient and amount, does not make all the information public. The CRA should investigate and expose charities that pay staff and directors excessively and channel charitable funds for other purposes through charities or public relations firms. The IRS requires non-profits to report the salaries of the highest-paid employees, their names and the actual amount they are paid. This same information is required for the five highest-paid contractors. CRA requires non-profits to report the number of employees in each income bracket but not the names nor specific amounts.

The Canada Revenue Agency should monitor more closely spending with respect to political activity and withdraw or revoke charitable status from charities that exceed permitted spending or engage in non-permitted activities.

[Translation]

Hon. Suzanne Fortin-Duplessis (The Hon. the Acting Speaker): Honourable senators, Senator Patterson has run out of time. Would the senator like to request more time?

[English]

Senator Patterson: May I have five more minutes? Thank you.

In closing, I want to make the point with regard to the issue in Nunavut this summer that regardless of what one thinks about seismic testing in Lancaster Sound in the summer of 2010, I do not believe that charitable organizations should be allowed to engage in political activities that are not permitted, such as openly pressuring governments to make certain decisions. We should know more about where their funding is coming from, how much they are spending and for what purpose, and what proportion of their budgets are devoted to political activities. Our laws can be improved in this regard.

Finally, honourable senators, I would like to acknowledge and thank Vivian Krause, who has done research and published articles in the *Financial Post* on the subject of American money influencing environmental activities in Canada.

Hon. Jim Munson: Would the honourable senator accept a question?

Senator Patterson: Yes.

Senator Munson: Speaking about transparency and about foreign money flooding into this country to produce oil from the oil sands in Alberta, the multinationals that are already here producing this “ethical oil” and that have carte blanche on where this oil is diverted to, how much money they spend and the amount of money these foreign oil companies make —

Senator Tkachuk: What does that have to do with charitable donations?

Senator Munson: It is about transparency — the transparency of oil companies — and, of course, the poor impoverished lobbyists here in Ottawa who are walking the streets with their pockets empty before they start to lobby government on so-called “ethical oil.”

In the interests of transparency and this inquiry, would the honourable senator agree that we should bring oil corporations, multinationals and these impoverished lobbyists to the inquiry so that we can have a bigger picture —

Senator Tkachuk: You asked that same question —

Senator Eaton: What does that have to do with it?

Senator Munson: It has everything to do with it because it is about transparency. It is all about transparency.

Senator Patterson: With all due respect to the honourable senator, the subject of this inquiry is the interference of foreign foundations in Canada’s domestic affairs and their abuse of Canada’s existing CRA charitable status.

I am all for transparency. It was the honourable senator’s prime minister who decided that corporations should not be allowed to contribute to political campaigns so that politicians would be free from the influence of large corporations. In that spirit, I am advocating transparency and openness with respect to charitable foundations. Perhaps there are other areas that should be examined in other inquiries. I encourage the honourable senator to take an initiative on those. However, this is about charities and the full transparency that is needed but lacking at the moment.

[Translation]

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, this inquiry was adjourned in Senator Cowan’s name. Senator Cowan would like to speak to the motion shortly. Will Senator Segal agree to the inquiry being adjourned once again in Senator Cowan’s name?

Senator Segal: Yes.

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

(On motion of Senator Tardif, for Senator Cowan, debate adjourned.)

• (1520)

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 Monday, April 2, 2012, at 6 p.m. and that rule 13(1) be suspended in relation thereto.

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

Hon. senators: Agreed.

(Motion agreed to.)

(The Senate adjourned until Monday, April 2, 2012 at 6 p.m.)

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