



# DEBATES OF THE SENATE

---

2nd SESSION • 41st PARLIAMENT • VOLUME 149 • NUMBER 25

---

OFFICIAL REPORT  
(HANSARD)

Tuesday, December 10, 2013

The Honourable NOËL A. KINSELLA  
Speaker

## CONTENTS

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

*Debates Services:* D'Arcy McPherson, National Press Building, Room 906, Tel. 613-995-5756  
*Publications Centre:* David Reeves, National Press Building, Room 926, Tel. 613-947-0609

---

Published by the Senate  
Available on the Internet: <http://www.parl.gc.ca>

## THE SENATE

Tuesday, December 10, 2013

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

Prayers.

### THE LATE NELSON MANDELA

#### SILENT TRIBUTE

**The Hon. the Speaker:** Honourable senators, we all know that Canadians, as well as members of this honourable house, were saddened by the passing of Nelson Mandela on December 5, 2013. Today being International Human Rights Day, I am sure you will agree that it would be appropriate to rise for a moment of silence in memory of Mr. Mandela.

*Honourable senators then stood in silent tribute.*

---

## SENATORS' STATEMENTS

### HOUSING

**Hon. Claudette Tardif:** Honourable senators, I rise today to draw attention to a national campaign launched in October by the Federation of Canadian Municipalities urging the federal government to work with provincial, territorial and municipal officials, and those in the private sector, to develop a long-term housing plan. This campaign is in response to concerns that municipal officials have across the country. They warn that the cost to rent or purchase housing is becoming increasingly less affordable to a growing number of Canadians.

Here are some of the numbers. The average home price in Canada has increased by 67 per cent since 2000, compared to a 13 per cent increase in household income. Rising home prices have not only pushed personal debts to record levels; they are putting home ownership outside of the reach of many Canadians. This is putting pressure on crowded rental markets. Overall, one in four Canadians is paying a disproportionate amount of their income to keep a roof over their heads, and it is families who rent that are most likely to be in this position. Ultimately, this pressure is forcing the most vulnerable citizens onto the streets, with an estimated 300,000 people without a roof or in homeless shelters.

In my province of Alberta, an expanding economy and population growth are putting pressure on the housing market. A shortage of adequate housing has resulted in rapidly escalating

housing prices and low vacancy rates. In fact, coming out of the recent floods, the city of Calgary has an effective vacancy rate of 0 per cent. Calgary is expected to see the largest percentage increase in Canadian housing prices between 2013 and 2015, followed by Edmonton.

An estimated 5,300 households are on the waiting lists for social housing in Calgary and Edmonton alone, and thousands more elsewhere in the province are similarly waiting.

This growing household crisis is a fundamental problem that can be linked to many issues. Individuals who do not have adequate access to housing are often denied adequate access to other basic needs, like education, health care and sanitation.

Adequate housing is also crucial for a healthy economy. The rising mortgage debt that Canadians are carrying is a significant economic risk, and the lack of affordable housing is becoming a problem in many communities for attracting and retaining a skilled workforce, particularly in Western Canada.

Honourable senators, investments in affordable housing provide benefits that far outweigh their costs. To have a thriving economy and a successful country, it is essential that we have safe and affordable housing for all Canadians.

### CHRISTMAS WISHES

**Hon. Nicole Eaton:** Colleagues, I rise today to speak to the notion of celebrating the Christmas festive season in a spirit of true diversity.

Honourable senators, we sadly live in a world that often chooses to focus on slogans rather than on the true essence of our multicultural society. "Spirit day," "holiday fare" and the tepid greeting of "Happy Holidays" have robbed us of the ability to celebrate the season for what it truly is. What have we come to in this pursuit of politically correct multiculturalism? It is indeed time to stand up and cry foul. I enjoy wishing my honourable colleague Senator Frum Happy Hanukkah or Happy Rosh Hashanah. Equally, I take pride in wishing Senator Seth a Happy Diwali. Similarly, I wish my Pakistani and Muslim friends and colleagues a Happy Eid.

It seems apparent that in our ever-Canadian zeal to accommodate all and sundry, we have forsaken our own heritage and given in to the convention that we must not offend any race, culture or creed, if not by intention, by accident.

Honourable colleagues, we should be learning about each other, celebrating one another and growing in our understanding of our respective faiths, traditions and celebrations around the numerous festival periods.

The Christmas season — and indeed many of the other observances at this time of year — celebrate the notion of light overcoming darkness and of goodness prevailing in the face of evil. Given this, I find it so disappointing and terribly sad that we have dumbed down the essence of “Merry Christmas” to “Happy Holidays.”

Not only have we succumbed to realities that are more about retailing than rejoicing, but we have practically thrown out the baby Jesus with the bathwater, truly stripping the season of its reason. In the double standards of our supposedly multicultural society, we have almost expected to forego any alignment of the holiday season with our own traditions — religious or otherwise. How sad this is.

In a truly free society, accommodation and inclusion must run equally amongst all genders, races, languages and ethnicities. No one should be forced to be “happy” when and if they choose to be “merry.”

• (1410)

Indeed, my “holidays,” and I suspect those of many others, are rooted in the observance of Christmas and in the embracing of all it stands for.

Equally, we must all be eager to embrace the celebrations that define our multicultural society and to encourage all Canadians to do the same.

To paraphrase Charles Dickens, let us permit all who choose to honour Christmas in their hearts, and who try to keep it all the year, do so. And let us not shut out the lessons that Christmas and the many other faiths’ festivals and observances can teach us, all of us, regardless of gender, race, language and ethnicity.

Thank you, and may I wish you all a Merry Christmas.

### UNESCO YOUTH FORUM ON SOCIAL INCLUSION

**Hon. Joseph A. Day:** Honourable senators, recently, youth from around the world converged in Paris for the eighth annual UNESCO Youth Forum on social inclusion, civic engagement, dialogue and skills development. This forum was an arena for youth to discuss their perspectives on the theme of social inclusion and the challenges that the youth of today face.

The Youth Forum is an important initiative of the United Nations Educational, Scientific and Cultural Organization, UNESCO, held prior to their general UNESCO conference. At the Youth Forum, youth can express their views and also discuss issues with ambassadors and permanent delegations to UNESCO.

Two Canadians were selected as the youth delegate and youth observer to represent Canada at the forum.

Betsy Leimbiger from Gatineau was chosen as a youth delegate, and she was also a page in the Senate chamber at one time, honourable senators. Claire Paetkau of Winnipeg was the youth observer. Their mandate was to represent the youth of Canada at the UNESCO forum and to prepare a report for the permanent delegation to UNESCO.

In their presentation for the forum, the Canadian youth representatives consulted with youth throughout Canada to better understand what our young people think about social inclusion and exclusion.

Honourable senators, it is my pleasure to share with you some of the viewpoints of those young Canadian youth consulted by the Canadian Commission for UNESCO, and they came up with concrete solutions to improving social inclusion. They focused particularly on the importance of valuing alternative forms of education, including experimental, out-of-class learning. When asked about what social inclusion meant to them, they explained the importance of promoting understanding and dialogue among different groups in society to avoid discrimination based on gender, age, sexual orientation, ethnic and linguistic background, ability and more.

Young people found that educating communities on the inclusiveness and integration of new immigrants, promoting community work in school curriculums and funding organizations that promote intercultural dialogue are all key aspects to improving social inclusion in Canada.

Another important recommendation for skills development and social inclusion is for organizations to provide young people with mentorship and internship opportunities, with particular focus on financially underprivileged youth. Young people also found it important to support organizations that promote intercultural dialogue and education between Native and non-Native groups in our northern communities in Canada.

I encourage honourable senators to listen to the voices of young people in regard to social inclusion. Each of us has a role in making Canada more socially inclusive for our Canadian youth.

### TRADE CONTRACTORS

**Hon. Donald Neil Plett:** Honourable senators, today the National Trade Contractors Coalition of Canada is in Ottawa meeting with parliamentarians to discuss an issue that is a concern for any small business that operates on a credit basis: That, colleagues, is to make sure that every contractor gets paid in a timely manner.

During the normal course of business, a contractor bears a substantial amount of costs up front to carry out a particular job. This includes equipment, materials, employee salaries and

maintaining the necessary insurance, among many other requirements. These costs can be substantial.

As a former plumbing, heating and ventilation contractor, I have experienced first-hand that in the construction industry it is a tolerated practice that often there are no strict timelines for payment, even if all parties are happy with services delivered. This cannot be allowed to continue. Delayed payments mean added costs to business through greater interest payments and can limit the ability of the contractor to carry out future business.

This is worth emphasizing: Delayed payment means that hard-working Canadians can be out of work, all because invoices are not being paid on time.

Honourable senators, today I stand with Canada's trade contractors in calling for changes to federal regulations with regard to prompt payment to ensure that an honest day's work gets an honest day's pay, on time and as promised.

Colleagues, for further information on the issue of prompt payment, please feel free to stop by the National Trade Contractors Coalition of Canada's parliamentary reception this evening in the MacDonald Room of the Château Laurier from 5:30 to 7:30, or even if you don't care and would just like to come by and have some Christmas cheer, we would love to have you join us.

#### VISITORS IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of Sandra Skivsky and Mario De Marinis, members of the Canadian Masonry Contractors Association. They are the guests of the Honourable Senator Plett.

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

**Hon. Senators:** Hear, hear!

#### PRINCE EDWARD ISLAND

##### VOLUNTEERISM

**Hon. Elizabeth Hubley:** Honourable senators, today I have the pleasure to rise and speak with you about the importance of volunteerism in Prince Edward Island. I'm proud to say that Statistics Canada has found that over 55 per cent of Islanders, the second highest in the country, volunteered in their communities in 2010 for an average of 157 hours per year.

Senators, volunteers play an important role in the health and well-being of our community. Volunteers deliver critical services, they keep our neighbourhoods viable and they mentor, coach and support young people. Volunteers do all this and more.

Two of these exceptional volunteers are Les and Joan Homans of Sherbrooke, P.E.I. who, for the past 63 years, have been a cornerstone of their community by volunteering with over a dozen community organizations such as the Friends of Summerside Rotary Library and the Sherbrooke Women's Institute.

Each year the Government of Prince Edward Island takes the time to honour some of these seniors for their hard work and dedication to the community by awarding them the 2013 Senior Islanders of the Year Award. This year the government has chosen five very deserving recipients.

Lois Brown of Kensington, Eric Hammill of Kinkora, Sister Norma Gallant of Wellington, John Kenny of Stratford and Marion Murphy of Millvale are a few Islanders that embody the spirit of volunteerism in our community.

Ms. Lois Brown was recognized for her work and dedication to her community and excellence in mentoring younger generations.

Sister Norma Gallant was recognized for her leadership in community safety and crime prevention.

Eric Hammill was recognized for his leadership and mentorship in agriculture.

John Kenny was recognized for his significant contributions to community life.

Marion Murphy was recognized for her perseverance and dedication to improving the lives of others.

I want to congratulate and thank the 2013 P.E.I. Senior Islanders of the Year Award winners and all volunteers in P.E.I. for their hard work in making Prince Edward Island a better place for all.

• (1420)

#### VISITOR IN THE GALLERY

**The Hon. the Speaker:** Honourable senators, I wish to draw your attention to the presence in the gallery of the Honourable Hassan B. Jallow, Prosecutor of the International Criminal Tribunal for Rwanda, as well as for the International Residual Mechanism for Criminal Tribunals and Under Secretary-General of the United Nations. He is the guest of the Honourable Senator Dallaire.

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

**Hon. Senators:** Hear, hear!

## ROUTINE PROCEEDINGS

### THE SENATE

#### COMPANION TO THE RULES OF THE SENATE OF CANADA—SECOND EDITION TABLED

**The Hon. the Speaker:** Honourable senators, with leave of the Senate, I have the honour to table the second edition of the *Companion to the Rules of the Senate of Canada*. It updates the first edition prepared in 1994.

This new edition, in separate English and French versions, provides honourable senators with sources of information with respect to the Senate's parliamentary procedures.

Prepared by our table officers and other Senate staff, this new edition of the *Companion* is both timely and desirable, and is commended to all honourable senators and other interested parties.

Copies are available to senators upon request, and information how to obtain copies will be circulated soon.

Is leave granted?

**Hon. Senators:** Agreed.

[Translation]

### THE ESTIMATES, 2013-14

#### SUPPLEMENTARY ESTIMATES (B)—SECOND REPORT OF NATIONAL FINANCE COMMITTEE TABLED

**Hon. Joseph A. Day:** Honourable senators, I have the honour to table, in both official languages, the second report of the Standing Committee on National Finance, which deals with the Supplementary Estimates (B) for the fiscal year ending March 31, 2014.

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

### ECONOMIC ACTION PLAN 2013 BILL, NO. 2

#### THIRD REPORT OF NATIONAL FINANCE COMMITTEE ON SUBJECT MATTER TABLED

**Hon. Joseph A. Day:** Honourable senators, I have the honour to table, in both official languages, the third report of the Standing Committee on National Finance, which deals with the subject

matter of Bill C-4, A second act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures.

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

### STUDY ON ISSUES OF DISCRIMINATION IN HIRING AND PROMOTION PRACTICES OF FEDERAL PUBLIC SERVICE AND LABOUR MARKET OUTCOMES FOR MINORITY GROUPS IN PRIVATE SECTOR

#### SECOND REPORT OF HUMAN RIGHTS COMMITTEE TABLED

**Hon. Mobina S. B. Jaffer:** Honourable senators, I have the honour to table, in both official languages, the second report of the Standing Committee on Human Rights, entitled, *Employment Equity in the Federal Public Service: Staying Vigilant for Equality*.

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

[English]

### NATIONAL FINANCE

#### COMMITTEE AUTHORIZED TO MEET DURING SITTING OF THE SENATE

**Hon. Yonah Martin (Deputy Leader of the Government):** Honourable senators, with leave of the Senate and notwithstanding rule 5-5(j), I move:

That, for the purposes of its consideration of Bill C-4, A second act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures, should this bill be referred to the committee, 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 12-18(1) being suspended in relation thereto.

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

**Hon. Senators:** Agreed.

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

**Hon. Senators:** Agreed.

(Motion agreed to.)

## PROVIDING CARE TO THOSE LIVING WITH DEMENTIA

### NOTICE OF INQUIRY

**Hon. A. Raynell Andreychuk:** Honourable senators, I give notice that, two days hence:

I will call the attention of the Senate to the challenges confronting a large and growing number of Canadians who provide care to relatives and friends living with dementia.

## QUESTION PERIOD

### VETERANS AFFAIRS

#### CLOSURE OF OFFICES—PROVISION OF CASEWORKERS

**Hon. Jane Cordy:** Honourable senators, the Veterans Affairs office in Prince George has already closed. Veterans Affairs offices in Sydney, Corner Brook, Charlottetown, Thunder Bay, Windsor, Brandon, Saskatoon and Kelowna are scheduled to close on January 31, 2014.

Is Minister Fantino going ahead with these closure plans that will hurt the veterans in these communities?

[Translation]

**Hon. Claude Carignan (Leader of the Government):** As I have explained over the past few weeks, we have maintained veterans' benefits in the budget; we have maintained services for veterans. The Service Canada office in Sydney in particular is only 400 metres from the Veterans Affairs office. Demand at the Sydney office has dropped to fewer than seven visits a day, on average, and many of those visits are just for dropping off documents. The goal is to ensure that resources are used efficiently without reducing services to veterans.

[English]

**Senator Cordy:** In Sydney, Cape Breton there are 4,200 veterans who will be affected by the closure. As a result of protests in Cape Breton and across the country and public outcry, on November 28, Minister Fantino announced that, as a compromise, one Veterans Affairs worker would be placed in the Service Canada offices in each community where the offices were being closed.

Veterans groups were not particularly pleased with this so-called compromise, because they said it simply meant they would have to get in line to get in line.

How is this compromise going to work?

[Translation]

**Senator Carignan:** As you know, our government is committed to ensuring that veterans and their families have the support they need, where they need it, no matter where they live in Canada. We also arrange home visits by health professionals. We provide housekeeping services, and we are increasing the number of case managers where they are most needed. We have health centres across the country. A Veterans Affairs client service agent will be on duty at every Service Canada location closest to the Veterans Affairs offices that are closing. This will ensure that there is ongoing access to services during the transition to a single-window model for access to government services through Service Canada. We are committed to ensuring that veterans receive the best possible assistance.

• (1430)

[English]

**Senator Cordy:** You said in your answer that ongoing services would be provided by the Veterans Affairs caseworker. This great compromise was promoted by Minister Fantino when he announced that the caseworker would be there, and he's going to help all of these veterans. Specifically in Nova Scotia the caseworker would be helping the 4,200 veterans in Sydney. Well, interestingly enough, we discovered today that this measure of putting a caseworker in the Service Canada offices is for a period of three months. Three months.

It was announced with great fanfare on November 28 by the minister that Veterans Affairs caseworkers would be put in Service Canada offices. The Public Service Alliance of Canada has discovered today that this caseworker the minister said is a great compromise and will help the veterans — and you have just said that this is going to be good because it will provide an ongoing service for the veterans — this position, in each of these communities, will be for three months.

At the end of April, there will be no Veterans Affairs caseworker in any Service Canada location throughout the country. None.

**Some Hon. Senators:** Shame!

**Senator Cordy:** Can you explain to me why Minister Fantino announced what everyone believed would be a permanent caseworker from Veterans Affairs in each of the Service Canada offices in Canada? It appears to me this minister was being misleading in order to stop the protests across the country. It was misleading by the minister to the veterans who have served Canadians.

[Translation]

**Senator Carignan:** I think you misunderstood or did not hear my previous response when I talked about transitioning to a single-window model for access to government services through Service Canada. We are committed to ensuring that all veterans

are given the best support possible, and I repeat, particularly for the Sydney office, which is located 400 metres from the Service Canada office.

[English]

**Senator Cordy:** On November 28, when Minister Fantino announced this compromise he did not say it was a transition. He told the veterans of Canada, he told the 4,200 veterans in Sydney, Cape Breton, he told every veteran across this country that there would be a Veterans Affairs person in the Service Canada offices in the areas where these offices were closing. That is not true. That is misleading.

Why did Minister Fantino mislead the veterans of our country who have served Canadians and have gone to the front lines for Canadians? Why has he misled the veterans of our country and all Canadians who want to do what's right for our veterans?

[Translation]

**Senator Carignan:** The Service Canada initiative is here to stay, and the services provided to veterans are as personalized as possible. We want to ensure that that continues.

As I said, a Veterans Affairs client service agent will be posted in every Service Canada office and it is also possible to receive services in the home, that is, personalized visits from these agents. We want to ensure that our veterans have access to the information they need in order to obtain services.

[English]

**Senator Cordy:** Well, they're not getting the information. What they're getting is misleading information from a minister who is more concerned about public relations than about helping our veterans.

Now, are you saying that these Veterans Affairs caseworker positions are permanent, that they will be permanent with Service Canada? Because the information that I have, as of today, is that they are there for three months.

In fact, in some of the areas in Canada where the offices are being closed, these positions, which are only for three months, are not even permanent; they're part-time positions. So the veterans will have to phone Service Canada and say, "Well, is my Veterans Affairs caseworker going to be in today, or are they only in on Tuesdays and Thursdays?"

[Translation]

**Senator Carignan:** As I explained to the senator, our government is committed to ensuring that veterans and their families have the support they need where they need it, no matter where in Canada they live. A Veterans Affairs client service agent will be posted in every Service Canada office closest to former VAC offices, in order to maintain the same level of service during the transition to a single-window model for access to government services through Service Canada. We are committed to ensuring that all veterans are given the best support possible.

[ Senator Carignan ]

[English]

**Hon. Wilfred P. Moore:** I have a supplementary question. I just want to clarify this, leader.

I think Senator Cordy said that the people who are going to be helping the vets for three months are only going to be there on a part-time basis. Is that correct?

[Translation]

**Senator Carignan:** Senator Moore, I explained that there are Service Canada agents at all the Service Canada offices closest to the former Veterans Affairs offices to ensure that the services and assistance they need are available.

[English]

**Senator Moore:** I heard all about the location, and I heard about the people working in Service Canada. I want to hear about the people who are dedicated to work and to help our vets. I want to know about those people who are going to be in these positions for three months; so let's start with that.

Are they there for three months, and are they there on a part-time basis during those three months or permanent part-time during those three months?

[Translation]

**Senator Carignan:** As I was explaining, Senator Moore, this is a permanent Service Canada initiative that will help us provide the best possible services to our veterans.

## FOREIGN AFFAIRS

### NATIONAL ACTION PLAN ON WOMEN, PEACE AND SECURITY

**Hon. Mobina S. B. Jaffer:** Honourable senators, my question is for the Leader of the Government in the Senate.

In October 2010, our government introduced Canada's national action plan. In this plan, the Minister of Foreign Affairs, Trade and Development committed to compiling an annual report on Canada's progress in implementing resolutions on some important issues, including women, peace and security, which would be made publicly available.

Mr. Leader, no national action plan has been made public since 2011. I asked this question in June and again last month. At the time, you said that you would mention it to the Minister of Foreign Affairs, Mr. Baird.

Could the Leader of the Government in the Senate tell us exactly when Canada's action plan on women, peace and security will be made public?

**Hon. Claude Carignan (Leader of the Government):** Senator Jaffer, my office contacted Minister Baird's office, and I am still waiting for an answer. I will get back to you in the next few days.



**Senator Jaffer:** I really appreciate that, and if I could get an answer to my question before January, that would be really helpful.

**Senator Carignan:** As I said, I shared your comments and concerns with the minister.

## CANADIAN HERITAGE

### CBC/RADIO-CANADA—INVESTMENT IN CAPITAL INFRASTRUCTURE

**Hon. Marie-P. Charette-Poulin:** Honourable senators, my question is for the Leader of the Government in the Senate.

Senator Carignan, yesterday evening, Louis Lalande, CBC/Radio-Canada's Executive Vice President of French Services — radio, television and Internet — appeared before the Official Languages Committee. He was accompanied by the head of regional services and the head of news and current affairs.

• (1440)

We had a discussion that I can only describe as worrisome. We learned that CBC/Radio-Canada is no longer receiving a special envelope for the capital investments it requires.

I would like to focus my attention on the French and English radio stations that provide services to the entire country in both official languages, through their many rebroadcasting transmitters. These rebroadcasting transmitters are in great need of repair, and we were informed that, unfortunately, there is no special capital envelope to ensure that the technical quality is such that the radio signal will be received across the country.

Can you tell us whether the government is considering developing this envelope?

**Hon. Claude Carignan (Leader of the Government):** Our government recognizes the key role that CBC/Radio-Canada plays in Canadian society, particularly in remote communities that depend on the corporation for television and especially radio services. CBC/Radio-Canada receives a lot of funding from taxpayers and must do its part to reduce the deficit like everyone else.

The President of CBC/Radio-Canada has said that the corporation can continue to fulfill its mandate and to implement its plan for 2015, while participating in the government's action plan to reduce the deficit. He has also said that CBC/Radio-Canada's programming must be offered in French and English. We therefore expect the corporation to continue to offer programming across Canada in both languages, while paying special attention to the regions.

**Senator Charette-Poulin:** It is interesting to hear you say that, Senator Carignan, because we learned from the Chair of the Official Languages Committee, Senator Tardif, who is originally

from Alberta, that there is access to English radio but not to French radio in Jasper National Park. What message is the country sending to visitors from around the world who are unable to access French radio in Jasper Park?

**Senator Carignan:** As I explained, CBC/Radio-Canada programming must be available in French and English. We expect the corporation to continue to offer programming in both official languages across the country and to pay special attention to the regions.

**Senator Charette-Poulin:** It is interesting, Senator Carignan, that you talked about the regions. Yesterday, we learned that 30 to 40 per cent of visitors to Radio-Canada's website are from the regions.

It reminded me of something the late Pierre Juneau — who was president of CBC/Radio-Canada for more than seven years — often said: The stronger our national public broadcaster's presence is in the regions, through radio and television, the more the corporation will have a purpose in this country that is so immense and so regionally diverse.

How can a corporation such as this, which is already in financial trouble, fulfill its regional mandate when, under the Broadcasting Act, one of its goals is to present the regions to the rest of the country? How can it fulfill its mandate if it does not have the funds?

**Senator Carignan:** Senator, as I said, the corporation receives a great deal of public funding and it too needs to do its part to reduce the deficit. I would like to reassure you by repeating the words of the president, who said that the corporation can continue to fulfill its mandate and implement its plan for 2015, all while participating in our government's deficit reduction action plan.

[English]

## FINANCE

### DISABILITY TAX CREDIT

**Hon. Percy E. Downe:** Honourable senators, I'm wondering if the Leader of the Government in the Senate would use his good office to obtain an answer to a written question I originally filed on April 25 of this year and re-filed October 16 regarding the Disability Tax Credit.

I appreciate that he may not have the information in front of him, but could I anticipate an answer in all likelihood before we rise for the holidays or can I anticipate it as soon as we come back for the next sitting?

[Translation]

**Hon. Claude Carignan (Leader of the Government):** Senator Downe, could you please repeat your question?

[English]

**Senator Downe:** Yes. There was a written question tabled originally on April 25, 2013, and re-tabled October 16, 2013. It is now on the Senate Order Paper as Question No. 2 and it's regarding the Disability Tax Credit. The people that asked me to file the question would like to know the information. I'm wondering if you could find out if we are likely to get an answer before we adjourn or could I anticipate a reply when we come back early in the new year?

[Translation]

**Senator Carignan:** I apologize; I misunderstood your question. I will inquire as to where we are at with that reply and try to get it to you as soon as possible.

[English]

## FOREIGN AFFAIRS

### AMBASSADORS' RESIDENCES IN ITALY AND SPAIN

**Hon. Percy E. Downe:** My second question is that I understand the government is planning to sell the official ambassador's residence in Rome which was purchased, as you know, after the Second World War using blocked funds. I'm wondering if you could give an update on the rationale for that decision.

[Translation]

**Hon. Claude Carignan (Leader of the Government):** You are referring to Canada's former official residence in Rome, Villa Grandi, which was far too big and much too expensive for Canadian taxpayers. Our government shows respect for Canadian taxpayers by spending their money wisely, and we intend to ensure that the Canadian diplomatic corps uses public funds effectively.

[English]

**Senator Downe:** I understand we currently have two residences because we have two ambassadors, one for Italy and one for the Vatican. What are the government's plans for the residence for the ambassador to the Vatican and what is their overall plan for Italy?

[Translation]

**Senator Carignan:** We expect Canadian taxpayers' money to be used as effectively as possible. We will continue to ensure that the diplomatic corps has the resources it needs to represent Canada, while respecting Canadians' ability to pay.

[English]

**Senator Downe:** I appreciate that answer and if you don't know, you can find out and let us know. We have two residences. Is there intention to downsize one, maintain the second, to

consolidate two into one? What is the government's plan? They must have a proposal that they're considering.

[Translation]

**Senator Carignan:** What I can say for now regarding Villa Grandi is that it is the former official residence, and it was much too big and too expensive. We intend to use resources as effectively as possible and to ensure the best cost-benefit ratio for Canadians.

• (1450)

[English]

**Senator Downe:** I look forward to additional information when you have an opportunity to obtain it.

As we all know from reading the newspapers, the housing market in many European countries is very depressed. Could you give us an update on the sale of the ambassador's residence in Spain, which I understand has been on the market for a long time and has been reduced in price on numerous occasions?

[Translation]

**Senator Carignan:** As I have already explained, we are trying to make the most efficient use of Canadians' financial resources. When we put foreign residences up for sale, we want to make sure that Canadians will get their money's worth without diminishing the quality of Canada's diplomatic services.

[English]

**Senator Downe:** It could be argued that with the embassy in Rome we got a very good bang for our buck, because we purchased it with blocked funds. Have the blocked funds been taken into consideration?

[Translation]

**Senator Carignan:** Senator, I do not know exactly what funds were used to purchase Canadian buildings, but they were surely public funds. We want to ensure that we make the most effective and efficient use of our missions abroad, at the lowest possible cost to Canadians, and all decisions are made with that objective in mind.

[English]

**Senator Downe:** As you are no doubt aware, blocked funds were a reimbursement for Canada for our military efforts in the Second World War. The funds were not allowed to be removed from the country; they had to be spent in that country. And that's what we used to purchase the properties we now have in Rome, which was obviously a very good use of taxpayers' money.

I'll pick up these questions again after the holidays, and I'm wondering if the government leader could have an explanation for the overall plan. His arguments about saving money are, of

course, ones we all respect, but as a G8 and G20 country, obviously we don't want our ambassadors in walk-up flats when other countries have residences.

There must be a plan on what the residences will be, what the expenditures will be and what the ongoing costs will be. I'm wondering if the Leader of the Government in the Senate could make that available for us to review when we come back after the holidays.

[Translation]

**Senator Carignan:** The plan is quite simple, senator. The government respects taxpayers and spends their money wisely. It intends to ensure that the Canadian diplomatic corps gives taxpayers value for their money. That is the plan, Senator Downe.

[English]

**Senator Downe:** I look forward to an expansion of the briefing when we return.

## EMPLOYMENT AND SOCIAL DEVELOPMENT

### EMPLOYMENT OF MEDICALLY RELEASED VETERANS

**Hon. Percy E. Downe:** Since 2005, medically released, qualified Canadian Forces personnel have been eligible for priority hiring in the federal public service. I'm wondering if, in the time available, the Leader of the Government in the Senate can tell us why after eight years so few of them have actually been hired?

**Senator Munson:** What a good question.

[Translation]

**Hon. Claude Carignan (Leader of the Government):** Senator Downe, as you know, we have an action plan for hiring veterans and, whenever possible, we want to assure them that they do have priority. We are urging Canadian employers to hire veterans.

[English]

**Senator Downe:** What I'm referring to is the program the Government of Canada has to hire within government qualified, medically released members of the Canadian Forces. The program has been in existence since 2005, and in the last eight years, very few were hired within the federal government. I'm just wondering why.

[Translation]

**Senator Carignan:** Senator, we want to ensure that employment will help integrate veterans into civil society. When there are openings in the public service for veterans, we ensure that we follow the policy for hiring veterans.

[English]

**Senator Downe:** Thank you for that, but since the program was introduced in 2005, up until September 2012, 374,000 people have been hired by the Government of Canada. But at the same time, 387 medically released, qualified veterans fell off the employment list because, in that time period, there were no jobs available for them in the Government of Canada.

**Some Hon. Senators:** Shame!

**Senator Downe:** Why is that happening?

**Senator Munson:** Where's your compassion?

[Translation]

**Senator Carignan:** Our veterans have access to a number of programs, including independence programs. Veterans have many opportunities to transition into civilian life, whether they want to start their own business or work in the public service. It is up to veterans to choose and to make plans, once they decide to start the transition period.

[English]

**Senator Downe:** Well, the choice for 387 of our veterans who were medically released — in other words, they were released because of a medical condition they got serving in the Canadian Forces — was that they wanted to join the Government of Canada during that eight-year period. The government hired 374,000 people, and they couldn't find room for these 387 people. Part of the problem is that very few departments are participating in this program. Some departments aren't hiring any.

Why is the government not giving instructions to the departments to make these medically qualified veterans a priority for hiring within the Government of Canada?

**Senator Tardif:** Good question!

[Translation]

**Senator Carignan:** We have Bill C-11, which would promote hiring our veterans. All veterans who are medically released will be given priority within the public service, and we plan on enacting legislation to ensure that soldiers wounded while serving are given absolute priority for hiring. I hope that you will support the passage of this bill.

[English]

**Senator Downe:** Not only do I support the bill; it's something that I've been advocating for a long time. Priority for placement on the public service list —

**The Hon. the Speaker:** The time for Question Period has been exhausted.

## ORDERS OF THE DAY

### SPEAKER'S RULING

#### QUESTION OF PRIVILEGE

**The Hon. the Speaker:** Honourable senators, the first item under Orders of the Day is the Speaker's Ruling.

Honourable senators, on December 5, Senator Cowan, the Leader of the Opposition, raised a question of privilege relating to alleged interference in the audit of Senator Duffy's expenses commissioned by the Standing Committee on Internal Economy, Budgets and Administration. He argued that the various kinds of interference that have been reported may have compromised the effective operation of the Senate and its members.

The senator's question of privilege is largely based on information provided in a sworn affidavit from the RCMP that was released on November 20. The contents of the affidavit, which have not been tested in court, have attracted considerable public attention. The alleged information it outlines is of concern to all senators and has been discussed both in the Senate and in the Internal Economy Committee. Senator Cowan argued that the events surrounding the audit, as set out in the RCMP document, amounted to interference in the work of the Internal Economy Committee and with the evidence that the auditing firm Deloitte was to provide.

[Translation]

In making his case, the Leader of the Opposition addressed the four criteria that must be met to establish a *prima facie* question of privilege under rule 13-3(1). In particular, he noted how he had sought to exhaust all reasonably available alternative processes before raising the matter as one of privilege. He felt his last alternative had been exhausted when the Senate rejected a proposal to direct the Internal Economy Committee to hear from the Deloitte partner mentioned in the RCMP document. Despite resulting delays, Senator Cowan argued that he fulfilled all the criteria of rule 13-3(1).

• (1500)

[English]

Senator Cowan's argument was later supported by Senator Fraser. She indicated that the events, as presented by the RCMP, suggest that there had been interference with a proceeding in Parliament. Like Senator Cowan, she believed that the requirements for finding a *prima facie* question of privilege have been met.

[Translation]

Senator Carignan, the Leader of the Government, did not agree that there was a question of privilege. He did not accept that the events outlined in the RCMP document constituted interference in the Senate's work.

[English]

Communications between the members of each house in the same caucus is a normal feature of political life in any bicameral Westminster-type institution. Such conversations should not be construed as interference in the parliamentary context.

[Translation]

In addition, Senator Carignan specifically addressed the phone call from a managing partner of Deloitte to the audit group. He underscored the fact that the Deloitte forensic audit group has denied providing information, beyond direction to publicly available material. The Leader of the Government concluded that there was no interference in the audit process and that potential witnesses were not blocked.

[English]

Senator Cools, for her part, was uncomfortable with the remedy — referral to the Standing Committee on Rules, Procedures and the Rights of Parliament — that Senator Cowan would propose if a *prima facie* question of privilege were established. She feared this would amount to one committee sitting in judgment on the work of another. Senator Cools pointed out that the Internal Economy Committee has decided how to deal with the issue. She urged the committee's decision be respected.

Honourable senators, the issue of interference is central to this question of privilege, which leads one to consider what kind of interference may have actually occurred. While a definite answer on this point may not be required at this moment, it has become apparent the legal and parliamentary meanings of the term are not necessarily the same.

Irrespective of the specifics of a particular question of privilege, the Speaker is responsible for assisting the Senate by conducting an initial evaluation, and the Speaker is obliged to follow the criteria in rule 13-3(1). All the criteria must be met to determine that a *prima facie* question of privilege exists. The criteria are that the question must:

- (a) be raised at the earliest opportunity;
- (b) be a matter that directly concerns the privileges of the Senate, any of its committees, or any Senator;
- (c) be raised to correct a grave and serious breach; and
- (d) be raised to seek a genuine remedy that the Senate has the power to provide and for which no other parliamentary process is reasonably available.

[Translation]

In presenting his argument, the Leader of the Opposition suggested that there is an option to exhaust all reasonable alternatives — helping ensure that the criterion of paragraph (d) is

met — before the criterion of paragraph (a) comes into play. The implication would be that one criterion can have priority over the others.

[English]

This does not reflect the Senate's practice. All four criteria must be met, and all must be met simultaneously, rather than over a period of time or sequentially. The initial assessment of whether all criteria have been met is done by the Speaker, and the chair's decision can be appealed to the Senate.

Honourable senators, rule 13-3(1) provides a general declaration about privilege, framing how the process relating to questions of privilege is to be understood. The rules states that:

A violation of the privileges of any one Senator affects all Senators and the ability of the Senate to carry out its functions. The preservation of the privileges of the Senate is the duty of every Senator and has priority over every other matter before the Senate.

[Translation]

This makes clear that senators should raise any concerns they may have about privilege expeditiously, without protracted delay. Within the structure of our Rules and practices, issues of privilege are considered with some urgency.

[English]

In light of this, and consistent with past practice, rule 13-3(1)(a) means that a question of privilege must be raised at the earliest opportunity. Our precedents establish that even a delay of a few days can result in a question of privilege failing to meet this criterion. Attempting to exhaust alternative remedies before giving notice of a question of privilege does not exempt it from the need to meet the first criterion.

[Translation]

Since this question of privilege involves events in committee, it is appropriate to note that senators can raise issues of privilege arising from committee proceedings directly on the floor of the Senate. A report of the committee is not essential. The fact that the committee could make a report on the issue has never been understood as bringing the issue of a reasonable alternative process the fourth criterion into play.

[English]

The RCMP affidavit became public on November 20, and the issues contained in it have been extensively discussed in the Senate. It was more than two weeks after the release of the document that the question of privilege was raised. In light of this lapse of time, the first criterion — that the issue must be raised at the earliest opportunity — has not been met. As such, a *prima facie* question of privilege cannot be established, and there is no need, therefore, to consider the other three criteria.

## BUSINESS OF THE SENATE

**Hon. Yonah Martin (Deputy Leader of the Government):** Honourable senators, pursuant to rule 4-13(3), I would like to inform the Senate that, as we proceed with Government Business, the Senate will address the items in the following order: Bill C-4, followed by Bill C-7, followed by all remaining items in the order that they appear on the Order Paper.

## ECONOMIC ACTION PLAN 2013 BILL, NO. 2

### SECOND READING

**Hon. JoAnne L. Buth** moved second reading of Bill C-4, A second Act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures.

She said: Honourable senators, I am pleased to have this opportunity today to speak to Bill C-4, the Economic Action Plan 2013 Bill, No. 2, a key piece of economic legislation for our government.

I'm going to preface my remarks on some of the key initiatives in this bill by highlighting our current economic situation in Canada. It is within this context that Bill C-4 continues to support our government's focus on jobs, growth and long-term prosperity.

Honourable senators, we all recognize that Canada has experienced one of the best economic performances among G7 countries, both during the global recession and throughout the recovery. Since the depths of the global economic recession, Canada's economy has created over 1 million net new jobs, nearly 90 per cent of which are full time and nearly 85 per cent of which are in the private sector. This is by far the strongest job creation in the entire G7.

[Translation]

Canada's unemployment rate is at its lowest level since December 2008 and it is lower than it is in the United States, a phenomenon that has not been seen in nearly three decades.

[English]

While other countries continue to struggle with their national debts, Canada is in the best fiscal position in the G7. In fact, Canada's net debt-to-GDP ratio was 34.6 per cent in 2012 — the lowest level among G7 countries — with Germany being the second lowest, at 57.2 per cent, and the G7 average at 90.4 per cent.

As was recently outlined in the government's Annual Financial Report, in 2012-13 the deficit fell to \$18.9 billion. This was down by more than one-quarter — \$7.4 billion — from the deficit of \$26.3 billion in 2011-12 and down by nearly two thirds from the \$55.6 billion deficit reported in 2009-10.

• (1510)

This was achieved by responsible spending of taxpayers' dollars. Indeed, direct program expenses fell by 1.2 per cent from the prior year and by 3.8 per cent from 2010-11.

Honourable senators, clearly our government has the right approach. We are balancing our efforts to support job creation and economic growth, while respecting commitments to reduce deficits and to return to balanced budgets in 2015.

I think Lori Mathison, Chair of the Government Budget & Finance Committee of the Vancouver Board of Trade, said it best when she said:

The Government is demonstrating a commitment to returning to a balanced budget in the short term, but at the same time, supporting economic growth and job creation.

Given the state of the global economy — where we are seeing recessions, drops in national and sub-national credit ratings, and out-of-control deficits — we are truly fortunate in Canada to be contemplating balanced budgets, receiving AAA credit ratings, and growing our GDP.

Both the independent International Monetary Fund and the Organisation for Economic Co-operation and Development project that Canada will have among the strongest growth in the G7 in the years ahead. Just last week, Statistics Canada announced that the Canadian economy grew by 2.7 per cent in the third quarter of 2013. This represents the ninth consecutive quarter of economic growth in Canada and is an encouraging sign that Canada's economy is on the right track.

Honourable senators, while this is certainly encouraging news, our government cannot become complacent. While economic conditions are improving, there are still too many Canadians out of work. In addition, we must always remember that Canada is not immune to the challenges beyond our borders. Indeed, the global economy remains fragile, especially in the U.S. and Europe, both among our largest trading partners.

[Translation]

This is why our Conservative government continues to focus on what matters to Canadians: job creation and Canada's economic growth.

[English]

The legislation we are debating today will implement key measures from Economic Action Plan 2013, which will help to support jobs and growth in Canada.

[ Senator Buth ]

On that note, I would like to highlight some of the key measures in Bill C-4.

Our government recognizes the vital role small business owners play in the economy and job creation. Since 2006, our government has introduced a number of measures to help small businesses grow and succeed. This includes measures like reducing the small business tax rate from 12 per cent to 11 per cent and increasing the small business limit to \$500,000.

Furthermore, in 2011, we announced the introduction of the Hiring Credit for Small Business. This credit provided up to \$1,000 to help defray the cost of hiring new workers. In fact, this credit was so successful that it was extended in Economic Action Plan 2012.

While the Canadian economy is improving, uncertainty remains. We heard the concerns of business owners, and that's why Bill C-4 extends and expands this effective hiring credit. Now, the credit will provide up to \$1,000 against a small firm's increase in its 2013 EI premiums over those paid in 2012 and applies to employers with total EI premiums of \$15,000 or less in 2012, an increase from \$10,000.

Extending and expanding this credit will benefit over 560,000 employers, helping them to hire new workers and to grow their businesses. In addition, it will provide an estimated \$225 million in tax relief in 2013. As Dan Kelly, President and CEO of the Canadian Federation of Independent Business recently said:

Extending and expanding the Employment Insurance Hiring Credit... will be welcomed by many small firms across Canada.

But that's not all. Bill C-4 increases and indexes to inflation the Lifetime Capital Gains Exemption. By increasing the exemption from \$750,000 to \$800,000, not only will this increase the rewards of investing in small business but will also make it easier for owners to transfer their family businesses to the next generation of Canadian entrepreneurs.

Furthermore, Bill C-4 will index the exemption to inflation for the first time ever. This will ensure that the real value of the Lifetime Capital Gains Exemption is not eroded over time.

Overall, this will provide an estimated \$5 million in tax relief in 2013-14 and \$15 million in 2014-15.

Bill C-4 also provides more tax relief to Canadian business by further expanding the Accelerated Capital Cost Allowance to encourage investments in clean energy generation.

Keeping taxes low helps attract investment and allows our businesses to expand their operations and hire more workers. It also helps Canadian families by keeping more of their hard-earned money in their pockets.

That is why, since 2006, we've cut taxes over 160 times, reducing the overall tax burden to its lowest level in 50 years.

Speaking of families, our strong record of tax relief has meant that a typical family of four has saved nearly \$3,400 since 2006.

We need to continue to ensure that taxes are kept low, and that means we need to make sure that everyone is paying their fair share. Our government is committed to closing tax loopholes that allow a select few businesses and individuals to avoid paying their fair share.

Economic Action Plan 2013 proposes a number of measures to close tax loopholes, address aggressive tax planning, clarify tax rules and reduce international tax evasion and aggressive tax avoidance.

Since 2006, and including measures in the Economic Action Plan 2013, our government has closed over 75 tax loopholes, and I will highlight a few of these measures found in Bill C-4: eliminating the unintended tax benefits from the leveraged insured annuities and leveraged life insurance arrangements, commonly known as 10/8 arrangements; extending the application of Canada's thin capitalization rules and ensuring that the loss pools of trusts cannot be inappropriately traded among arm's-length persons; strengthening the ability of the Canada Revenue Agency to crack down on tax cheats and combat international tax evasion by extending the normal reassessment period by three years for taxpayers who have failed to report income from a specified foreign property on their annual income tax return; streamlining the process for CRA to obtain information concerning unnamed persons from third parties, such as banks; and requiring certain financial intermediaries, including banks, to report to the CRA clients' international electronic fund transfers of \$10,000 or more.

Overall, actions in Economic Action Plan 2013 to close tax loopholes and to improve the fairness and integrity of the tax system will provide about \$315 million in savings in 2013-14, rising to over \$1.2 billion in 2017-18, for a total of \$4.4 billion over the next five years.

Indeed, industry professionals recognize the benefits of these efforts. In response to Economic Action Plan 2013, Gabe Hayos, Vice-President, Taxation, with the Canadian Institute of Chartered Accountants, said in a press release from March 21, 2013:

We support efforts to maintain the integrity of the tax base....

Honourable senators, protecting Canada's tax base not only supports our efforts to return to balanced budgets but also helps to give confidence to Canadians that the tax system is fair. Canadians can rest assured that our government will continue to take action to close loopholes, address aggressive tax planning, clarify tax rules and combat international tax evasion and aggressive tax avoidance.

Our government is also cracking down on the fraudulent activity of certain taxpayers. It should come as no surprise that all taxpayers are required to maintain adequate books and records for tax-keeping purposes. Unfortunately, certain retailers have been found to be using electronic sales suppression software to selectively delete or modify sales transactions in their computer systems. These devices, commonly referred to as "zappers," undermine the competitiveness of businesses that play by the rules. That's why Bill C-4 introduces administrative monetary penalties and criminal offences under both the Excise Tax Act and the Income Tax Act, targeting those who manufacture or possess this type of software.

• (1520)

The Canadian Restaurant and Foodservices Association welcomed this step, saying:

These measures appropriately target the producers, installers, and users of sales-distorting software, while supporting the competitiveness of Canada's hard-working small business community, among them 81,000 restaurants, the vast majority of which pay their taxes and operate in full transparency.

Simply put, our government doesn't believe such practices are fair. We support Canadians who work hard, play by the rules and pay their taxes.

In addition to these initiatives, our government has also taken action to enhance the neutrality of the tax system. When first elected in 2006, we committed to examining ways to make the tax system more neutral across sectors. Our government further committed in 2009, along with other G20 countries, to rationalize and phase out inefficient fossil fuel subsidies. In support of these commitments, our government took actions in Budget 2007 and Budget 2011 that resulted in the phase-out of all tax preferences for oil sands producers relative to the conventional oil and gas sector. Building on these efforts, Bill C-4 will phase out the accelerated capital cost allowance for capital assets used in new mines and major mine expansions and will reduce the deduction rate for pre-production mine development expenses.

Honourable senators, Economic Action Plan 2013 stated our government's intent to set public service pay and benefit levels that are reasonable, responsible and in the public interest. Bill C-4 will amend the Public Service Labour Relations Act to ensure that the public service is affordable, modern and high-performing. This is not only what taxpayers expect but also what they deserve. The measures in Bill C-4 will bring savings and streamline practices, and bring federal labour relations in line with those of other jurisdictions. Indeed, our government will sit at the bargaining table on behalf of the taxpayer where the rules are fair and balanced.

Honourable senators, when it comes to creating jobs and economic growth, our Conservative government is on the right track. I have highlighted some key initiatives in Bill C-4 that will keep us on track.

[Translation]

Honourable senators, when it comes to creating jobs and economic growth, our Conservative government is on the right track. I have highlighted some key initiatives in Bill C-4 that will keep us on track.

[English]

In closing, I leave you with this quote from Standard & Poor's, who had this to say following their affirmation of Canada's AAA credit rating on November 13, 2013:

The ratings on Canada reflect its strong public institutions, prosperous and resilient economy, fiscal and monetary flexibility, and effective policymaking....

Canada's success in the past decade in achieving credible monetary and fiscal policy, along with its openness to trade... will continue to support its economic performance.

Honourable senators, this is exactly where Canada needs to be, and Bill C-4 supports this position.

**Hon. Joseph A. Day:** Honourable senators, I join in the debate on Bill C-4. I would like to start by thanking Senator Buth for her speech on this proposed legislation. Senator Buth is the third member of the steering committee for National Finance, and I would like to thank her and the deputy chair of the committee, Senator Smith, for all the work they have done, as all members of the committee have done, in moving this bill along.

As honourable senators know, the proposed budget implementation act moves along late before we rise for the Christmas-New Year break roughly parallel to the supply bill. Therefore, it will be understood if honourable senators confuse the various reports and bills as they progress.

As the honourable senator indicated, the Finance Committee did a pre-study of the subject matter of Bill C-4 because we wanted to make sure that we understood what was in the bill. Knowing that it was coming here late and that we would have a very short time to deal with it, we elected the lesser of two evils: to do a pre-study that abandoned our traditional role of sober second thought as we applied sober first thought to this bill.

I understand that the bill is at second reading. Honourable senators, earlier today I filed the third report of the Standing Senate Committee on National Finance, which is on Bill C-4. You may wish to obtain a copy of that by asking one of the pages as it will give you some background and an overview of what was seen and heard by the Senate Finance Committee and six other committees that also looked into portions of the bill.

I will resist going into details, as the honourable senator has done, because we are at second reading, which requires a look at the broad principles of the proposed legislation. For the next few

minutes, that is where I will concentrate my comments. I would like to correct a couple of impressions that Senator Buth has left with respect to the wonderful rosy financial situation that we're in.

The honourable senator talked about planning balanced budgets; but we've been talking about and planning balanced budgets for some considerable time. I remind honourable senators that the government is predicting a \$20-billion deficit next year. At the end of this fiscal year, it will be \$18.9 billion, and that's the best information we have. We have seen the government's predictions of deficits in the past and the huge swings between the prediction and the reality. However, the reality is that last year, for the first time, we accumulated in deficits a debt of over \$600 billion, and we are predicted to go to \$650 billion before we get to a balanced budget situation. Just imagine how long it will take us to pay down that debt, or our children or our grandchildren to pay down that accumulated debt.

The only reason this can be dealt with rather lightly is that interest rates are so artificially low because the economy is just not picking up. Therefore, the government and the Bank of Canada are able to use the interest rate to try to encourage development. As a result of that, the good side of that is that the public debt charge is roughly \$30 billion. So \$30 billion is a lot of money, but it would be a whole lot more, and it will become more as interest rates go up and as the debt accumulates.

• (1530)

I just wanted honourable senators to have the other side of that rosy picture that was presented by the words of my honourable colleague just now.

Honourable senators, as I indicated, this is second reading of budget implementation bill for the fiscal year 2013-14. The bill stems from the March 2013 Budget document, although you can find there are many items in this legislation. Some of these items are nowhere to be found in the budget bill, and that is where I would like to concentrate my comments so that honourable senators will know what is happening in relation to budget implementation bills.

The bill is entitled "A second Act to implement certain provisions of the budget tabled in Parliament on March 21, 2013 and other measures." It's always the "and other measures," honourable senators, that are contained in this budget bill which cause us concerns, and I think quite rightly cause us concerns.

I spoke on the government's first budget implementation bill in June of this year. It had 116 pages. I was extremely hopeful — and I said that in many comments at that time — that we were going to start seeing an appreciation and a respect by the government for the two institutions, the two chambers — the other place and here — by reducing the size of these bills so that we could deal with them in a reasonable manner.

I wondered if perhaps the government had realized the importance of not lumping all sorts of measures into this kitchen-sink legislation. But, as the British philosopher Bertrand

[ Senator Buth ]



Russell opined, “Extreme hopes are born from extreme misery.” That’s what we’ve got, honourable senators. My hopes were perhaps too extreme because of the terrible situation that I’ve spoken on, on so many occasions, of these budget implementation bills having so much in them that we can’t possibly do the job that we should be doing.

Bill C-4, the bill we’re dealing with, contains three parts. Not bad — three parts. It runs 308 pages and it’s comprised of 472 different clauses. Each one of those many clauses deal with different concepts, different policy matters, different ideas, all of which we have to grasp and understand and go back to the main legislation to understand how this particular change impacts on the legislation that it’s intended to amend.

The Senate received Bill C-4 last evening from the House of Commons, the other place. The National Finance Committee previously received permission to conduct this pre-study on Bill C-4. As honourable senators will know, this means that we had the ability to study this bill over a period of time.

The pros and cons to conducting a pre-study have been debated in this chamber, and the “pro” clearly is that the Finance Committee is able to spend more time studying the legislation than it would if the bill were to go through the House of Commons first and then come to the Senate for passage in two or three days — with all of those pages and all of those clauses. The “con,” however, is that we do not benefit from the testimony and the debate that takes place in the other place on the bill and, therefore, we cannot adjust to that debate and that testimony and look into other areas.

As honourable senators will well understand, sometimes items will be identified in the house as “deserving of further study,” and we often see that. If we dealt with the bill in the normal course, this allows the Senate to focus on those issues. Certain issues are more contentious than others and we could focus on those, and the issues that may possibly have unintended consequences could be looked into. That is what we’re missing out on by not dealing with this bill in the normal course but dealing with it as a pre-study.

The National Finance Committee held 10 meetings on Bill C-4. We heard from 33 witnesses from four federal departments and two federal agencies, and we also heard from 7 other witnesses who were impacted or potentially impacted by the legislation. Additionally, three organizations submitted briefs to the committee for our consideration. All of that is outlined in the report that I’ve referred to and that I just filed, the third report of our committee that was filed earlier today.

In addition to the National Finance Committee study of this bill, there were six other Senate committees which undertook study of certain provisions contained in the legislation, as authorized by this chamber. Notably, the Standing Senate Committee on Banking, Trade and Commerce; the Standing Senate Committee on Energy, the Environment and Natural Resources; the Standing Senate Committee on Transport and Communications; the Standing Senate Committee on Foreign Affairs and International Trade; the Standing Senate Committee

on Social Affairs, Science and Technology; and the Standing Senate Committee on Legal and Constitutional Affairs all looked into certain aspects of Bill C-4. Their reports have been tabled in this chamber as well and are available for any honourable senator to take a look at. They were referred to our committee, and our committee also had the opportunity to look at the reports and invite the chair and deputy chair of each of the committees to come and explain to us what was in the sections that they studied.

I would like to thank all of the members of each of these committees for the work that they did and the reports that they completed. It helped our Finance Committee to understand what was in the overall legislation.

Why is it important for the Finance Committee to understand the overall legislation? Because at the end of this second reading, I anticipate that the bill will be sent to the National Finance Committee, and National Finance will then look at the bill in its entirety from the point of view of clause-by-clause consideration. We have to know what was in the other clauses, and we have a much better understanding by reason of the various work that was done by the various committees. Even though these other Senate committees studied certain aspects of the bill, honourable senators, you’ll understand why it was necessary for us to ask those committees to help us in understanding the aspects of the bill.

Honourable senators, what we have, as a result of taking a look at all of this, is just another omnibus finance budget bill from the government, after all the pleading that we have done. As I have indicated in the past, I have no particular issue with these bills if they are used to make housekeeping changes or to clean up other pieces of legislation or things of that nature; no difficulty with an omnibus bill that — maybe once a year or maybe twice a year — should go through because the items are too small to have a stand-alone piece of legislation. That’s not the issue.

I take issue, honourable senators, with budget bills or confidence bills in the other place being used to bring sweeping changes to all sorts of different acts. When we receive bills of this magnitude, we are not afforded the time to do the job which we are expected to do. It was never intended that this chamber would simply be a rubber-stamp chamber of the other place. Under no circumstances should we be approaching any piece of legislation with this rubber-stamp mentality. It is detrimental to the role of this institution, and it’s an insult to every one of us in this chamber to be asked to deal with this kind of legislation in the manner that we’re being asked to deal with it. It risks sacrificing the integrity of this very chamber. We do, as Canadians, and we do to Canadians, a great disservice when we do not give the sober thought to these bills we receive from the other place.

• (1540)

Time and time again we find provisions within these omnibus bills, and their only purpose is to fix provisions which were contained in previous omnibus bills. It’s difficult now to draw certain conclusions from this. The conclusion that I would draw is that we’re not dealing with the legislation to the extent that we recognize potential problems and, therefore, a year later, along

comes the legislation back to say, "This should be corrected because we were too hasty." If the committee and the Senate were provided with more time or simply adequate time to study bills of this size, many of these mistakes would be caught; instead, we're spending our time correcting sloppy mistakes.

An example of a situation like this is found in the budget implementation bill, the previous one. It can be found in Part I of this bill under paragraph (l) of the summary. This is in the budget implementation bill, the bill that we're dealing with. The explanation of the change reads as follows:

(l) adjusts the five-year phase-out of the additional deduction for credit unions;

We just dealt with credit unions. The original change to deductions for credit unions was contained in Bill C-60, the government's first omnibus budget bill. It was taking away the special taxing provision that credit unions had for many years; and that was a quid pro quo, the trade-off for small credit unions operating in small communities, as opposed to the larger banks having the economies of scale.

That should have been the end of this when the government policy brought in a phase-out of that special relationship that had been given to credit unions. The policy decision was made, and that should have been the end of it.

However, after passing the legislation, a mistake was discovered, which ended up raising the tax rate for credit unions over five years to 28 per cent, instead of the general corporate tax rate of 15 per cent. They were at 13; we were supposed to move it up to 15. Instead, the legislation was worded such that it moved it up to 28 per cent. It's not my belief that this was an intentional error or change, honourable senators, but I do believe that it's a mistake that, with more careful consideration, could have been avoided.

Another issue we tend to see frequently in these omnibus bills is a lack of consultation. We hear from groups each time there's a budget implementation bill that they were either not consulted at all, they had been consulted in the past but weren't anymore with respect to these changes, and even that there was no hint of a change within the budget or that it was alluded to in the Speech from the Throne and appeared in the budget implementation bill one week later. That kind of comment is not uncommon when we bring in individuals or companies who are impacted by this legislation.

I would argue that if something is important enough that the government chose to include it in a Speech from the Throne — which traditionally is used to outline government policy — it is likely deserving of being in a stand-alone piece of legislation.

We heard testimony from witnesses who expressed their displeasure with respect to Divisions 17 and 18 of this bill, which amend the collective bargaining agreement situation from the public service point of view, among other changes. It was alluded to in the Speech from the Throne and included in the budget implementation bill one week later.

I would like to read to you an exchange with an official who appeared in front of our committee, which I think quite succinctly sums up one of the problems of these budget implementation bills.

This exchange took place on November 26 of this year:

**The Chair:** Senator Callbeck was also wondering about the extent of consultation with the affected collective bargaining units for this particular legislation. We'll be hearing from some of those in due course, but perhaps you could tell us what your point of view is.

**Ms. Benbaruk:** As far as we know, there was no consultation.

This, of course, is a budget bill, so there would be no consultation.

For obvious reasons, we would not have consulted because of the secrecy that attaches... to the bill.

So, there was no consultation. The excuse for having no consultation is because the change was a major policy change with respect to collective bargaining within the public civil service, not a financial fiscal matter, a major change. No consultation before the legislation was introduced because it was in a budget bill.

Now, that is part of the reason that I and many others find these particular approaches by the government to putting everything into a budget omnibus bill very undesirable.

This is one of the fundamental problems when these measures are lumped into budget bills. As I said, I have no problem with bills that have a lot of different subject matter in them, if they're just housekeeping and cleaning things up; but there's no question that the public service collective bargaining legislation should have been in stand-alone legislation. That's in Divisions 17 and 18, and there's absolutely no excuse for putting that in this particular matter.

There's also no excuse for putting Division 19 in this legislation; it deals with the issue of appointments to the Supreme Court relating to the province of Quebec.

**Senator Mitchell:** That's appalling.

**Senator Day:** That issue came up after the budget was out. It has absolutely nothing to do with the budget, and I am very concerned about the fact that what this does is it attempts to change the legislation at the same time that the government has done a reference on exactly the same issue to the Supreme Court of Canada, asking for advice on this.

So we're being asked to pass legislation that's also under consideration in a reference to the Supreme Court of Canada. I've never, ever seen anything like that previously, and I'm hoping that other senators will pick up on that particular issue; it is clearly not something that should be in Bill C-4.

The government can put through these changes with no consultation because they say the budget has to be passed before we take our Christmas/New Year break; so all of these questions that are in our minds, all of the questions that have come up by virtue of us taking the time to study this legislation are not going to get answered before the legislation passes.

Even if stakeholders have completely legitimate issues — and many do when they come before us — with changes to certain areas, the population will suffer as a result of legislation that hasn't been fully aired. It is unlikely anything will be done about it because the government has made this a matter of confidence in the other chamber, and we have certain traditions in dealing with matters of confidence here, as well.

• (1550)

Although this isn't a chamber of confidence, we do tend to treat those matters with a higher degree of respect by virtue of the fact that they are matters of confidence. That's easy with respect to supply bills because they tend to be straight-out supply bills. That's what the government needs, this is the supply they need and we can ask those questions. Those are matters of confidence as well, but they are items that we can deal with. What we're talking about here is a budget implementation bill with a whole lot of other measures in it.

Honourable senators will undoubtedly want to reflect on whether or not this is a job they envisaged when they were summoned to this place. Is this what was intended of all of us, knowing that we're not able to do the job we came here to do because of certain procedural steps that are being taken that prevent us from doing it?

Honourable senators, I will use my time at third reading to get into some of the more specific items in the bill. I did refer to the public service labour relations legislation, the Supreme Court reference and proposed changes to the bill, but there are many other items in this legislation that I will try to bring to your attention at third reading.

**Hon. Pierrette Ringuette:** I have a question.

Senator Day, as usual, you're very thorough in your speech to brief us. As a member of the Senate Banking Committee, we had the opportunity to look into a small portion of this omnibus budget bill in regard to the public service being able to sit on bank boards. One of the questions was that in the entire nation only 450 Canadians, plus or a minus a few, sit on boards of Canadian banks. If you look at the fact that we have 34 million Canadians, one has to wonder why banks in Canada cannot find more than 450 banking experts to sit on their boards.

Listening to you carefully with regard to Divisions 17 and 18, concerning the public service collective agreements, and Division 19, the reference to the Supreme Court about recent nominations, year after year we have been receiving omnibus budget bills with all kinds of unacceptable legislation within. I will be in the Senate 11 years on Thursday. We have been complaining about these omnibus bills on the one hand. On the other hand, we have also been saying that we are masters of our own house.

Isn't there merit for us to have a motion asking the Rules Committee that upon receipt of an omnibus budget bill, all the different sections be separated and put into different budget bills in front of the Senate? Therefore, it would be sending the right message, that enough is enough of these omnibus budget bills. If the other place wants to deal with an omnibus budget bill under its own rules, we can do the same with regard to our own rules and the way that we treat omnibus budget bills, whatever government comes in front of us.

**Senator Mitchell:** Hear, hear.

**Senator Ringuette:** As Chair of the Senate National Finance Committee, and who has been chair or vice-chair of that committee for many years, you would be the right person to put forth the arguments and a motion so that the Rules Committee would look into this issue and change the current rules accordingly.

**Senator Day:** Thank you, Senator Ringuette. Congratulations on the upcoming anniversary of your appointment to the Senate. You served on our Finance Committee for many years and we appreciated your input. I now recognize that you're helping out on the Banking Committee along with Senator Gerstein, who was also on Finance and has moved over to Banking.

On the issue that you raise, you're absolutely right. It was maybe two years ago in one of my speeches that I was complaining about this practice. I suggested that we could go three or four different ways. One of them was changing the rules. Another one was having a motion to separate those items that were non-budget items. Another was dividing the bill because it's very easy. There are three parts to it, and part 3 of this particular bill could easily be dealt with as a separate bill, or we refuse to deal with it in the form that they've sent it. There are a number of ways to deal with this.

I've put it out there, but I have not taken a step other than last year. You will recall that I moved to sever portions of the bill that were non-budget matters, but apart from that, we haven't taken any steps. If this keeps happening, we're not doing the job that we should be doing and we're going to have to take some action soon, when I feel a consensus is building.

**Senator Buth:** Senator Day, will you take a few questions?

**Senator Day:** I'd be pleased to.

**Senator Buth:** You've got many years of experience on the National Finance Committee. I'm not sure how many years, but that's actually not my question.

I'm wondering if you can recall Bill C-43, and I'll just read to you the type of legislation that was amended in Bill C-43: the Auditor General Act, the Asia-Pacific Foundation of Canada Act, the Broadcasting Act, the Nova Scotia and Newfoundland and Labrador Additional Fiscal Equalization Offset Payments Act, the Canadian Environmental Protection Act, the Canada Post Corporation Act, the Employment Insurance Act, the Public Sector Pension Investment Board Act, the Department of Human

Resources Development Act, and there were many more. That is just a list of the acts that were modified in Bill C-43. I'm wondering if you recall what year that was.

**Senator Day:** I do not recall Bill C-43, but I can tell you that it sounds suspiciously like a bill that was in the previous Liberal regime. These numbers come up and they come and they go, but two wrongs don't make a right. The more times that you make the argument, "Well, we're doing this and you can't argue it because you did it before," I didn't do it before. I complained about it when we were over there and the Liberal government came forward with what I felt was legislation that didn't show any respect for us. You can follow my speeches, and you'll find out that I did, indeed, make the same points that I'm making today.

• (1600)

**Senator Buth:** Thank you, Senator Day. I just wanted to clarify that it's not just since 2006 that we've been dealing with omnibus bills. In fact, I do recall a speech by Senator Gerstein the year before I joined the Senate, when he actually went back and determined that there was a debate on omnibus bills that were taking place in 1785 in Great Britain.

I have another couple of questions — one on Division 19, which you did mention. I wanted to clarify that what I heard at committee was that the report from the Standing Senate Committee on Legal and Constitutional Affairs on Division 19 did not make any recommendations or did not object to the clauses contained in that division.

**Senator Day:** The report will speak for itself, but my recollection is not unlike your own.

In relation to your comments about omnibus bills, I have no objection to omnibus bills — absolutely none. I think they are a good tool for government to try to pick up housekeeping items. I have absolutely no problem with that. Otherwise we would be weighed down with individual legislation that had only one or two clauses in it.

The problem is when you tie the omnibus bill to a finance budget bill, because then it has to be dealt with more expeditiously, and that is the problem: We don't have the chance to deal with the items.

So omnibus, fine. Budget omnibus, not fine.

**Senator Buth:** I thank you for that clarification on Division 19 because I wanted to make sure that everyone realized there was no objection from the Standing Senate Committee on Legal and Constitutional Affairs.

I have one last question.

**The Hon. the Speaker *pro tempore*:** Senator Joyal is raising a point of order.

**Hon. Serge Joyal:** On the very point that Senator Buth has been raising in relation to Division 19, it has been studied by the Standing Senate Committee on Legal and Constitutional Affairs, but we studied it in a reference received from National Finance. We could not propose amendments at that stage. If there are amendments to be brought at the stage of third reading, or at either report stage — you will have that bill at report stage some time later on today or tomorrow, and then at third reading I hope Thursday — then we can introduce amendments.

If I may use this image, honourable senators, it's to put the cart in front of the ox to pretend that, at this stage, the committee has not proposed amendments and to draw the conclusion that the committee agreed to the substance of that bill.

As a matter of fact, I will certainly speak at report stage at third reading on Division 19 of Bill C-4.

**Senator Buth:** Thank you for that comment, Senator Joyal. I appreciate that. And I apologize for using the word "amendment," if I did. I was asking whether there were any objections or recommendations in the report from the committee.

My last question to Senator Day: In terms of banking and the changes in the bill that would allow public servants to sit on bank boards, I do recall comments from the officials that indicated it would accommodate, essentially, small credit unions — that is, it would allow employees who are public servants in small communities and who are sitting on credit union boards to continue to sit on those boards.

But I also wanted to clarify if there was clarification by the officials, and I seem to recall that in all of these cases, the employees would have to meet the conflict-of-interest code for employees, and I'm wondering if you recall that.

**Senator Day:** Thank you, Senator Buth. Yes, I do recall that the obvious conflict-of-interest code would have to apply, and I do recall some discussion and there was certainly not unanimity one way or the other.

Some honourable senators did raise the issue that it seemed quite strange that we would be having public servants making their \$120,000 a year as a public servant and then \$200,000 as a member of a board of a large financial institution. There could be some friction and some difficulties from that point of view. Those items were raised; no resolution was found.

**Senator Ringuette:** The Parliament of Canada is not responsible for the legislative authority, jurisdiction-wise, to regulate credit unions. It is the responsibility of the provinces.

I want to correct the statement made by the honourable senator: Provisions in this omnibus bill with regard to public servants sitting on nationally chartered banks are the issue, not credit unions, because this bill does not change credit unions. If members have had the impression, or were given the impression, that it was to allow public servants to sit on small, community credit unions, I want to correct that comment.

[ Senator Buth ]

Senator Day, I certainly hope that if officials from different departments who appeared in front of you made that kind of suggestion, they should be recalled and corrected in regard to credit unions.

**Senator Day:** Thank you, Senator Ringuette.

The term “credit union” probably came to mind rather quickly because I made mention of it in my primary remarks in terms of the federal tax payable by the credit unions — and that’s a federal tax payable.

In terms of the issue of senior civil servants being able to sit on the boards, my recollection is that “financial institutions” was the term. Chartered banks would be included in that, but it was a bit broader than that — “financial institutions” that are clearly under the jurisdiction of the federal government.

**Hon. Wilfred P. Moore:** Would you take a supplementary question?

Further to the point raised by Senator Buth, with regard to potential conflicts of interest, can we be assured, then, that officials from the Department of Finance will not be available for consideration and will not sit on the boards of our chartered banks?

**Senator Day:** I believe the legislation is broad enough to allow it. That’s always a problem: When the legislation is passed in broad form, we won’t know the results of that for some time.

**Hon. Hugh Segal:** Colleagues, I want to associate myself with what Senator Buth said in support of Bill C-4, generically. I think it is a solid piece of work that deals with important economic matters, and I very much share her view that the economic policy of the government — trade policy, foreign policy and defence policy — is some of the finest and constructive policy we’ve seen in this country for some many years.

That being said, I wanted to raise a particular part of Bill C-4 that was touched upon briefly by Senator Day. And before I talk about what he said, I do want to point out as a matter of record that the RMC Club of Canada awarded Senator Day the Len Birchall Leadership Award for his tremendous service to the Royal Military College of Canada, to all of its cadets and to its faculty over the years.

Some may not know who Len Birchall was. Len Birchall, who is very much celebrated in the city of Kingston — Len Birchall Way is one of the streets that runs through the Royal Military College campus — was known as the Saviour of Ceylon.

• (1610)

He was the Royal Canadian Air Force flyer who saw the Japanese fleet steaming toward Ceylon and, at great personal risk, flew towards Ceylon to inform them that they were about to be

invaded, allowing the British, Ceylonese and other Commonwealth forces to engage and reorganize. On that basis, he was found to have done a huge service to the people of Ceylon, now Sri Lanka, and he is revered in that country, as he is here, as the Saviour of Ceylon.

The fact that our colleague, Senator Day, would have received that designation, based on what I understand to be a unanimous vote by the Royal Military Club of Canada, speaks to his devotion to one of the finest military colleges in the world and, by far, the finest English-speaking military college — officially bilingual — in Ontario. I just want to point that out.

**Some Hon. Senators:** Hear, hear.

**Senator Segal:** Honourable senators, the Standing Senate Committee on Social Affairs, Science and Technology, under the distinguished chairmanship of Dr. Kelvin Ogilvie, an individual who has received all kinds of kudos for his remarkable scientific work outside of this chamber, took a good, hard look at the part of Bill C-4 that dealt with some of the changes with respect to the ability to refuse to work because of a fear in the federal public sector that a circumstance might be dangerous. The committee considered the issue and heard from the public servants involved and from representatives from the public sector unions. I just want to read into the record what the committee said. This report, which is public domain, had the unanimous support of the committee, those from both sides of the chamber who sat and worked diligently under Senator Ogilvie’s leadership. The report states:

Some members are concerned about the change in definition of “danger” and suggest that there may be too narrow and restrictive. They point out that the current definition was the result of considerable consultation and that changing it without input from interested parties could be problematic. With this in mind, your committee suggests that the operation of the amended Canada Labour Code should be evaluated and we would welcome a report on this issue within twelve months. In particular, some members would like to verify that the work of health and safety officers has been re-focussed on prevention activities.

To be fair to the public servants who appeared before us, when asked the question on consultation — and there hadn’t been any — they gave the same response that Senator Day referenced in his analysis, “It’s a budget bill. You don’t normally consult on the contents of a budget bill.” As civil servants, I hold them blameless for that context.

They were also asked about whether or not redefining a worker’s right to declare whether a work place is dangerous and adding to the paper burden that a concerned worker would have to address in order to get the matter looked at was in the public interest. Their response is worthy of note, because I think it was also offered in good faith. They said that when they looked at streamlining this section, they thought that removing resources from unnecessary redundancy and investing those resources in preventative activity to keep accidents from happening, to make sure the work place is safe. This is the sort of thing that the folks in the Department of Labour thought would be a better use of their resources.

I don't question the motivation behind the changes, but let me make a point that I think colleagues on both sides of the chamber might wish to consider. Safety, its pursuit and the protection of the workers' rights is not only a matter of law, but it's also a matter of negotiation between trade union leadership, public sector union leadership and the employer. Whenever you see a change go forward, however well-intentioned some may believe it to be, without that consultation, you are saying to the labour leadership involved, "On this, your views don't matter."

Their membership wants them there to engage on precisely these issues. Sometimes, those on the labour side are right, and sometimes they're wrong. Sometimes the employer is right, and sometimes he or she may be wrong. Sometimes they find some answer in the middle, but if you don't have the negotiation, or if you don't have the consultation, then that opportunity for constructive compromise is lost.

Therefore, I hope that our colleagues on the Finance Committee, who will be taking a look, after second reading, at these provisions, will find it in their hearts to raise sufficient concerns and perhaps even call a witness or two.

I think that, while the convention about confidence measures from the other place is a solid one — and I certainly don't want to get in the way of that — picking away, where necessary, at what might be an unintended consequence would be something that would do this chamber great honour. I know that, under the distinguished chairmanship of Senator Day and his colleagues on this side of the house, they will do their very best to address this.

**The Hon. the Speaker *pro tempore*:** Continuing debate? Are honourable senators ready for the question?

**Some Hon. Senators:** Question.

**The Hon. the Speaker *pro tempore*:** It was moved by the Honourable Senator Buth, seconded by the Honourable Senator Unger, that this bill be read a second time. Is it your pleasure, honourable senators, to adopt the motion?

**Some Hon. Senators:** Agreed.

**Some Hon. Senators:** On division.

**The Hon. the Speaker *pro tempore*:** On division.

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

#### REFERRED TO COMMITTEE

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

(On motion of Senator Buth, bill referred to the Standing Senate Committee on National Finance.)

[ Senator Segal ]

## MUSEUMS ACT

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

**Hon. Nicole Eaton** moved third reading of Bill C-7, An Act to amend the Museums Act in order to establish the Canadian Museum of History and to make consequential amendments to other Acts.

She said: Honourable senators, I rise to speak, once again, to Bill C-7, which amends the Museums Act to establish the new Canadian Museum of History. I begin by offering my thanks and gratitude to my colleagues on the Standing Senate Committee on Social Affairs, Science and Technology.

I would like to recognize as well, the significant contribution to the debate made by my honourable colleague Senator Joyal. His eloquent and insightful intervention greatly informed the debate and the discussion of this bill at committee. Senator Joyal reminded us all that examining history can help us to better comprehend hidden realities in our present world and to enlighten our understanding of society today.

Helping people learn about Canada, promoting understanding of our rich past, and appreciating how our past has made us the people we are today are reasons why our government is proud to be creating a new Canadian Museum of History. The essence of the amendment to the Museums Act, setting out the new museum's intended purpose is:

...to enhance Canadians' knowledge, understanding and appreciation of events, experiences, people and objects that reflect and have shaped Canada's history and identity, and also to enhance their awareness of world history and cultures.

There is certainly need for such enhancement of Canadians' knowledge of history in light of some compelling statistics.

John McAvity, Executive Director of the Canadian Museums Association shared with us that museums are viewed as respected institutions, accurate in their knowledge and the presentations that they give. According to public opinion research, 92 per cent of Canadians believe it is important for children to be exposed to museums and 96 per cent of Canadians believe that museums contribute to our country's quality of life.

• (1620)

However, not all figures paint such a positive picture. Of the students studying Canadian history before graduating, more than 80 per cent failed the Dominion Institute's Canadian history quiz. Yet, 78 per cent of Canadians feel that learning more about Canada's history would be a significant factor in strengthening their attachment to Canada. In a society made up of large numbers of immigrants, this is an important point.

This certainty speaks to the need for and value in having a world-class museum of Canadian history. We heard in committee of the need to broaden our understanding of our history. In practical terms, this means refreshing and updating the museum's content and exhibits. The stark reality of the matter is that there have been no major renovations or significant alterations to the museum in the last 24 years. I was involved with the Royal Ontario Museum for 20 years. I know all too well of the need for museums to remain current. After a quarter century, galleries and exhibits get tired and old. Furthermore, if you don't modernize you fail to present recent history — thus, in this instance, creating a nearly 50-year gap in Canada's history in the museum. This gap freezes us in time and fails to highlight entire categories of endeavour from politics, culture and sport to our numerous contributions to the world during this period.

The committee learned from Mark O'Neill, President and Chief Executive Officer of the current museum, of their plans to overcome these shortcomings. Half the permanent space will be used to create the largest and most comprehensive museum exhibition on Canadian history ever developed. A new permanent hall with a continuous span of 50,000 square feet will house Canada's national treasures and contain exhibitions exclusively and chronologically preserving the memories and experiences of the Canadian people.

The depth and breadth of experience being brought to bear on this significant undertaking is considerable: 25 museum staff, half of them curators, including archaeologists and anthropologists, working with six advisory committees, including a women's history committee and an Aboriginal history committee that includes Aboriginal elders, and many members from the Canadian Historical Society with whom they are cooperating. All of these changes are being brought about through a one-time federal investment of \$25 million.

Honourable senators, it's equally important that we can be reminded of that which will not change as we move towards the new museum of Canadian history. As things progress, it will be business as usual for the museum. Its governance structure will remain intact, with no interruption of the corporation's ability to operate and no impact on the status of its employees, officers or trustees.

The power of the new museum to collect objects and other museum material and the responsibility to manage their collections will remain unchanged. Knowledge-sharing will also remain a key role of the institution. The new museum will play an even more active role in working with museums across Canada to ensure that national collections are available to as many Canadians as possible.

The museum will not lessen the role of Aboriginal history in the story of Canada. In fact, for the first time in 20 years, Aboriginal history will play a large part of the Canadian history exhibition. Consultations with Canadians, launched by the museum on the day the new museum was announced, yielded information that demonstrated the importance of Aboriginal peoples to Canadians' perspectives of our history.

In acknowledgment of this, Aboriginal history is one of the three strategic priorities in the research strategy recently released by the Canadian Museum of Civilization. The plan, which will guide the museum's research activities over the next 10 years, recognizes the centrality of First Peoples to Canada's past, present and future, and promises to broaden and deepen research in this area.

Specifically, it encompasses the multiplicity of Aboriginal narratives and accomplishments and the nature of lived experiences and encounters, with particular emphasis on Canada's Arctic and sub-Arctic regions. Aboriginal narratives will be pursued in the context of multi- and inter-disciplinary work, community engagement, appropriate forms of consultation and continued awareness of the importance and sensitivity of the museums' efforts to Aboriginal peoples.

This determined effort to enhance focus upon the pivotal role of Aboriginal peoples in our history is another amelioration of an egregious shortcoming. The current Canada Hall begins the telling of our nation's history not with the Aboriginal people's presence since time immemorial but with the arrival of Europeans in the 11th century. It is high time this obvious oversight was corrected, and we are pleased to see the plans in this regard.

All of this points to one of the major themes made by my honourable colleague Senator Joyal when he joined the debate on this legislation: History must constantly be reinterpreted. In the spirit of this assertion, once again my experience with museums has taught me that we should probably be looking at refitting galleries every 10 to 12 years if we are to ensure our national story remains relevant, current and reflective of the ever-changing nature of Canadian society.

Yet despite the efforts to ensure a truly objective Canadian context, there remain some who suggest the change of name and mandate for the new museum is motivated by political reasons. This is not the case. Experts in the field of museology and history agree with this fact. Museologist Adriana Davies was quoted as saying:

In every generation, museum leaders struggle to make collections, exhibits, public programs and other outreach activities as accessible as possible to a new generation of visitors. What our national museum is doing today is just that, but it is infused with serious discussion about what it is to be Canadian.

She continued:

Some critics do not understand there needs to be a serious discussion about what the "national narrative" or "national story" should be at this time. It isn't "revisionist" history; it's about feeling the pulse of the nation to see what Canada is today and what brought us to this state.

Brian Lee Crowley of the Macdonald-Laurier Institute similarly challenged those in opposition to this change. He said:

Two criticisms of the re-naming seem to be most in evidence. First is the notion that the politicians will be reaching into the decisions of the museum itself. In fact all the protections that have insulated the museum from political interference remain robustly in place. One is an independent board operating under an act of Parliament that gives them both authority over and accountability for the museum's operations. Another is a vigilant academic, cultural and historical community, much in evidence and in a celebratory mood at the announcement of the name change.

In closing, this bill seeks to help us both show and tell our rich and compelling story. Colleagues, it is important to note the distinction between civilization and history. History tells the story of civilizations in a linear, sequential narrative fashion. This new museum of history will present a comprehensive and chronological story of Canada's civilization to all Canadians and indeed to the world in a world-class fashion.

Honourable colleagues, I heartily encourage you to pass Bill C-7 and thus enable the enactment of these changes to bring about the Canadian museum of history.

[Translation]

**Hon. Pierrette Ringuette:** Could Senator Eaton tell us how much the name change will cost in terms of marketing the name and developing websites, information brochures, and so on? How much will this change cost taxpayers?

[English]

**Senator Eaton:** I can't tell you what the cost of the name change will be. Obviously, there will be marketing because they will need a new plan to tell people about the museum of Canada's history. I can't tell you that, but I could certainly inquire whether it's just a line item in their yearly budget or whether it's a special expense. I would imagine it's simply a line item.

**Senator Ringuette:** I would appreciate having that information before we move ahead with the bill because, as Senator Day stated earlier, the current deficit is very high. I don't think that a name change just for the pleasure of changing a name on a building should get more funds from Canadian taxpayers.

• (1630)

**The Hon. the Speaker *pro tempore*:** This is in the form of a question. Senator Eaton, do you want to answer that?

**Senator Eaton:** Yes, of course. I'll do my very best to get it for you, senator. If I get it for you and it's a line item, you'll vote for the bill, won't you? I know that. Thank you. That's the deal.

[ Senator Eaton ]

**Hon. Art Eggleton:** Honourable colleagues, I rise to talk about the proceedings at the Standing Senate Committee on Social Affairs, Science and Technology dealing with this bill. Let me say right off the top, having listened to Senator Eaton, that all of the good things that she feels need to be accomplished and all the good things the government says that it wants to accomplish and the minister came to our meeting and said she wanted to accomplish, and she said it with great enthusiasm, can be accomplished without narrowing the mandate of this museum.

There already is in the definition of the Museum of Civilization the provision for special attention being paid to Canada, not just worldwide civilization exhibits and research, and we know that has been the case over the years. We know about the great Aboriginal displays that are there now, and we know there have been many Canadian exhibits and that there is a very large Canadian collection.

There are some concerns about it. Mr. O'Neill, the CEO of the museum, came and said, "Well, we haven't really gone much beyond the peoples of this country beyond 1970." Well, there's no reason why that can't be corrected. There's no reason why all the good things that they say they want to do cannot be accomplished within the current definition.

If they really want to add emphasis to Canadian history, they could consider changing the name to "The Museum of Civilization and Canadian History." That doesn't diminish anything that they do now; it adds to the emphasis of what they do now. All of that can be done in the current definition. They don't have to narrow it.

As I said, the minister came before the committee, as did the officials. Mr. O'Neill from the Canadian Museum of Civilization came and said this was going to be wonderful and we would all be very happy with it and, if this is going to proceed, I hope they're right. However, in a further panel before the committee, we had some doubters, and these are not just people without qualification. These people have substantial qualification. For example, the President of the Canadian Anthropology Society was concerned that there really wasn't much additional money. Senator Eaton talked about the \$25 million. That is a one-time only capital investment. What about the online operation, as Senator Ringuette mentioned?

They're trying to say that they're going to add to the Canadian content, but they're also trying to say they're not going to take away from the kind of exhibits they have had up to this point. They point out that there are a couple of them in the pipeline. Well, there may be a couple in the pipeline, but that may be it. That may be the last of them because if you add all that up together, unless a substantial amount of money is invested beyond this \$25 million one-time only capital investment, then they're not going to be able to accomplish very much, unless of course they adhere to the "rob Peter to pay Paul" principle of diminishing some of the current efforts.

The Canadian Association of University Teachers was also concerned about it. They were concerned about the research change that they see coming, the removal of the words "critical



understanding,” which were relevant to critical research and they now see as changing in terms of focus. They’re very concerned about it, as is the Canadian Historical Association. The President of the Canadian Historical Association said this is a concern to them as well. Three very prominent heads of organizations or representatives of organizations that are clearly players in this whole endeavour came to express their concerns.

I want to raise one other concern. I know this will not be happy news for my colleagues opposite, but they are also concerned about political interference or manipulation. One of the things that has to give us pause and concern are the words of the former President and CEO of the Museum of Civilization, Victor Rabinovitch, a very distinguished man in that position for a number of years. What did he say? He didn’t come before the committee, but publicly he has warned the museum’s expert staff that they will have to “strive mightily to avoid being pushed by the Harper Government into being an ideological messenger for its version of national identity.” These are not my words. This is the former CEO of the Museum of Civilization.

We have to think about that. Actually, we can think about it a bit because remember the War of 1812 commemorations and all the money that went into that? I think to some extent that’s good. I think we should have commemorated. I’m not convinced the amount of money that was spent needed to be spent. It’s like the economic action plan: It’s all taxpayers’ money that could be put to far better use. Nevertheless, a lot of money was spent on it. Of course, nothing was spent on the thirtieth anniversary celebration or commemoration of the Canadian Charter of Rights and Freedoms, so one can come to the understanding, as Mr. Rabinovitch has, that there could be some ideological bent to this.

In fact, the university teachers also said that this change “fits into a pattern of politically motivated heritage policy that has been emerging in the past few years.” This initiative reflects a new use of “history to support the government’s political agenda.” There you go. That’s what some of those people said.

I hope they’re wrong. I hope that everything Senator Eaton suggested is going to happen will happen and that there will continue to be curatorial independence. That’s absolutely vital. All of our witnesses indicated curatorial independence was important.

Yes, let’s have a modernization plan, as Senator Eaton suggests, but I think there’s no reason to change the mandate. There’s no need to change the definition of what that museum is about, so I see no reason why we should support this bill. I will personally be voting “on division” when it comes to the final vote.

**Senator Eaton:** Senator Eggleton, would you take a question?

**Senator Eggleton:** Of course.

**Senator Eaton:** I don’t know if you found it as stunning as I did, but looking back at the Association of University Teachers, the Anthropology Society and the Canadian Historical Society, what stunned me — and perhaps it didn’t stun you — is that none of

them had ever worked in a museum, and a museum is very different from the academic milieu of a university or an anthropology society. Did that not surprise you?

**Senator Eggleton:** No. Remember, they were speaking for their organizations, and their organizations have considerable experience in this whole area of research relevant to museums. I’m sure they’ve had many people that have worked at museums. The fact that the three of them may not have is of no consequence because they were not speaking out of their own experiences or their own opinions. They were speaking on behalf of three major organizations of this country.

**Senator Eaton:** The other thing I find stunning in your remarks, especially as a former Mayor of Toronto, is that we are a very multicultural society now. Canada does that very well. We are a land of immigrants.

• (1640)

I think when the government spends money on celebrating Canadian history, like the War of 1812, the way we’ll celebrate 1867 and Confederation in a couple of years, I think that’s money well spent. I think that’s reinforcing to Canadians our own history. Do you disagree with that?

**Senator Eggleton:** Well, only in the quantum of the money that was spent on this particular occasion.

I think commemoration of the War of 1812 was fine. You’ll even notice on my Christmas card I have reference to the Battle of York 200 years ago, which is part of that.

I think it is important to remember history. Let’s make sure that the decisions that are made about what we commemorate are done with curatorial independence — done not out of political motivation but by people who know what the right balance and what the right way of going about doing this are.

I have no quarrel with that, but the amount of money was excessive when we have so many needs, so much cutting in budget items that affect people who are vulnerable and have lower incomes in our country. I think we have to be careful about the money we spend either on something like that or on the economic action plan.

So, yes, let’s commemorate it. Let’s not have the government picking and choosing what we commemorate, but let’s have independent bodies determine how that should best be done.

**Hon. Roméo Antonius Dallaire:** If I may, on a supplementary, you said you don’t mind too much about celebrating the War of 1812, but it was maybe the investment we did.

I went through the list of regiments that have been honoured for having participated in the War of 1812, and government officials have gone around the country at various ceremonies indicating to these regiments that their history permits them to say that they served in the War of 1812.

However, there have been extraordinary debates by military historians that many of those things were extensions of the truth. Even the Voltigeurs de Québec weren't in existence then, and they got a battle honour for the War of 1812. That's the regiment my father-in-law commanded in World War II, and my son has served in it, too.

I'm concerned that we're going to fiddle with the content. The money is one thing, but I'm worried about fiddling with the actual intellectual rigour of the content of our history by refocusing it, as you have indicated, and putting at risk that objectivity.

**Senator Eggleton:** I totally agree with you. It's politically convenient to give an award or to recognize a regiment in a situation that was not appropriate; but that's the problem when you get this kind of — I see a lot of it in our foreign affairs, which I think is geared towards domestic audiences for political purposes.

So I would again reiterate that we need to keep these things independent of government interference. And I think that we should celebrate them, but not to the financial extent that we did.

**Senator Eaton:** To Senator Eggleton, and to your remarks, Senator Dallaire, I wouldn't equate the War of 1812 to the economic action plan or to the foreign service. That's just a comment.

**Senator Eggleton:** They're all politically motivated is what I'm saying.

**Senator Eaton:** That's the thing. Don't you think that section 27 of the Museums Act — would you like me to read it to you? — will make sure there's no government interference in the museums?

There hasn't been up to now. Why should the government all of a sudden be interested in the acquisition, collections, disposal of artifacts or their programs? The museums are protected by law from government interference.

**Senator Eggleton:** Right. Well, I've been in government; I've been a cabinet minister. I understand that there's a certain deference that officials, even though they may have legislative independence, have to government officials. There's an old saying: He who pays the piper calls the tune.

**Senator Eaton:** No comment.

**Hon. Hugh Segal:** I wonder if I could ask my friend Senator Eggleton whether he would take a question.

**Senator Eggleton:** Sure.

**Senator Segal:** I remember that Senator LeBreton, when she was Leader of the Opposition, established a principle: No minister, no bill. In this case we did have the minister who

came and was very forthright and I thought very articulate and straightforward and answered all of our questions.

She went out of her way to express exactly what my colleague Senator Eaton just underlined, which was the curatorial freedom that the Museums Act actually guarantees so that no politician of any affiliation can say, "I want this exhibit in this place to show this or that." Professional historians have to go about their business, and the only real role politicians have is in the votes in Parliament with respect to funding and various programmatic approvals that would take place, but the people producing those programmatic proposals would be the professional curatorial staff, who are insulated by the law.

I look at Senator Day and the tremendous work he did to try to find a middle ground between the Canadian War Museum and their initial cut on Bomber Command which, in my view, was a travesty, and a much better statement of the sacrifice our men and women in uniform made as part of Bomber Command to bring the war to the enemy before our troops landed on the shores of Italy.

He will testify how hard and how challenging that was because of the curatorial freedom guaranteed under the law for the officials who were running that museum.

I took the minister at face value. I believed she was telling us the truth, as she understood it. I'm sure having been a minister you would want nothing less from the rest of us in this chamber.

**Senator Eggleton:** I agree that that's exactly what we want, but there's always friendly persuasion, not necessarily a violation of any law.

In any event, yes, the minister was quite enthusiastic about all of this. I hope she's right, and I'm sure she believes in what she's doing.

As many of the witnesses have said to us, this can all be accomplished within the current mandate. Why is it necessary to change the wording and narrow the wording of the mandate? It's not necessary to do that.

It has roused all sorts of suspicion with these different organizations, and it leads to all of these concerns. In quoting Mr. Rabinovitch and others, there's no need to do this.

If they want to accomplish a greater Canadian identity, I'm all for it. I'm all for telling the story not only of the War of 1812 and the war of the Aborigines, but also the communities that have come and made Canada their home and have added to the development of this country right up to the current day. I think all of that needs to be done, and it can be done within the current mandate.

As I said, if they want to change the name of the place to try to add some emphasis about Canadian history, I'm all for that, too. "The Museum of Civilization and Canadian History" I think would work well in the current mandate.

[Translation]

## FIRST NATIONS ELECTIONS BILL

### FIRST READING

**The Hon. the Speaker *pro tempore*** informed the Senate that a message had been received from the House of Commons with Bill C-9, 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.

(Bill read first time.)

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

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

• (1650)

[English]

## SPEECH FROM THE THRONE

### MOTION FOR ADDRESS IN REPLY— DEBATE CONTINUED

On the Order:

Resuming debate on the motion of the Honourable Senator Martin, seconded by the Honourable Senator Carignan, P.C.:

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

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

### MAY IT PLEASE YOUR EXCELLENCY:

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

**Hon. James S. Cowan (Leader of the Opposition):** Honourable senators, before I begin, the fact that we began this debate unusually late means that I did not until now have an opportunity

to express our best wishes on behalf of the official opposition in the Senate to His Excellency the Governor General on his second Speech from the Throne.

I'd also like to extend our warm congratulations to our Speaker, who is approaching eight years as our presiding officer. While not unprecedented, it has certainly been rare in the Senate's history for a Speaker to have this long a tenure. In this chamber, of course, the Speaker is appointed by the Prime Minister rather than elected by colleagues, but having said that, I'm sure I speak for all of us when I say that our Speaker has earned the respect and confidence of all senators on both sides of the chamber. His deep respect for the institution of the Senate and his knowledge of the rules and the important principles that underlie them are critical to each of us doing our job in this place, and we thank him for that.

Finally, I want to commend the mover, Deputy Government Leader Martin, for her speech in support of the Speech from the Throne. It was unusual — one of the longest Throne Speeches was followed by one of the shortest addresses in reply, at least in my memory. The deputy leader did her best to extol the achievements of the Harper government's seven years in power. However, given that the deputy leader was describing the achievements of the Harper government during its years in power, the brevity of her remarks was understandable.

All of us have witnessed a most unusual — and frankly disappointing — start to a new parliamentary session. Prime Minister Harper prorogued Parliament in September ostensibly because he wanted to hit the reset button on his government. He needed the time, he told Canadians, to set a much-needed new course for the nation.

We returned in mid-October, the Speech from the Throne was delivered, and that was the last we heard of it. It was weeks before anyone on the government side even bothered to move the traditional motion to launch debate on it.

Instead, the government insisted that all of our time be devoted to rid this chamber of three sources of embarrassment to the Prime Minister. As John Ivison, not usually a strident critic of the government, wrote, "The actual process of government appears to be nobody's priority, marked as it is by inertia and stupor."

That characterization was certainly reflected in a Throne Speech long on platitudes — "we are honourable, we are selfless, we are smart" — followed by a laundry list of promises that frankly missed the mark.

Let me give you two examples. My colleague Senator Dyck spoke about these in her excellent speech, but they deserve to be raised again.

The first:

Aboriginal women are disproportionately the victims of violent crime. Our Government will renew its efforts to address the issue of missing and murdered Aboriginal women.

Colleagues, a number of us on this side have spoken repeatedly in this chamber about the terrible tragedy of the hundreds — some 600 — murdered and missing Aboriginal women. We've pointed out that it has been estimated that if the rate of missing and murdered Aboriginal women were extended to all Canadian women, it would be the statistical equivalent of 19,400 missing and murdered women. Yet in the face of these horrific statistics, notwithstanding calls from the opposition, the United Nations, Aboriginal groups and most importantly the families, friends and communities of these women, the Harper government has stubbornly refused to take any serious action, beginning with a public inquiry. It will, we are told in the speech, "renew its efforts to address the issue." What efforts, colleagues? How will renewing feeble efforts that have led to nothing suddenly address this very real and terrible problem? Colleagues, nothing will come from renewing nothing.

My second example appeared immediately after that meaningless promise in the speech about missing and murdered Aboriginal women — a highly questionable and unfortunate placement choice, as Senator Dyck pointed out.

It reads:

Canadians also know that prostitution victimizes women and threatens the safety of our communities. Our Government will vigorously defend the constitutionality of Canada's prostitution laws.

Colleagues, the government's answer to women victimized by prostitution is to "defend the constitutionality of Canada's prostitution laws"? How will this help women on the streets struggling with addiction, mental illness, terrible poverty and brutal violence?

The words "mental illness" don't appear anywhere in the long speech. There is one mention of the word "poverty" to acknowledge that Canadians "want to address poverty and other persistent social problems," but that's it. No plans, no ideas, nothing.

I'm not the only one who was disappointed by the lack of content in the Speech from the Throne. The former Clerk of the Privy Council, Mel Cappe, also noted that it was devoid of policy ideas and critical thinking.

He said, "It wasn't a speech from the throne that provided a strategic direction filled with ideas,"... but rather one that was "tinkering with minor issues." He continued, "Our problems have never been more complicated and we have never had better analytic tools to deal with them. But the government seems to be going in the other direction."

He described the government as being in a "mind freeze."

Mr. Cappe was interviewed by Brian Stewart, one of Canada's most experienced journalists, now a distinguished senior fellow at the Munk School of Global Affairs at the University of Toronto. Mr. Stewart summed up Mr. Cappe's views as follows:

He says the government risks running out of ideas because our know-it-all ministers don't ask for any, and public servants have been too cowed to offer them up.

Alex Himelfarb is another former Clerk of the Privy Council who served immediately after Mr. Cappe. Mr. Himelfarb told Mr. Stewart that the Harper government's distrust of bureaucrats and their work now "leads to ever more layers of costly and stifling control and to a culture of fear."

Mr. Stewart, who has been a journalist for almost 40 years and has reported from many of the world's conflicts, including 10 war zones, wrote on November 6:

I used to comment, seriously, that I found the Harper bureaucracy more intimidated than the one I occasionally covered in Poland before the fall of Communism.

I stopped making the comparison when I realized people were convinced I was joking. I wasn't.

A culture of fear and intimidation won't produce good policy ideas. It can't. Similarly, using the budget to strip public servants of collective bargaining rights seems unlikely to inspire Canada's honest and talented bureaucracy to achieve greatness.

Colleagues, this is not a partisan issue. Former Conservative Prime Minister, the Right Honourable Joe Clark, who served as a highly respected and distinguished foreign affairs minister in the Mulroney government has said of foreign policy under the Harper government:

"Canada now talks more than we act, and our tone is almost adolescent... full of sound and fury."

He told *The Globe and Mail*:

... almost anyone who works in international relations would argue that Canada's influence has declined in the last six years, because we are seen as the country that lectures and leaves.

The country that "lectures and leaves," colleagues. I remember when Stephen Harper came to power. I remember him assuring Canadians that his government would never "cut and run." That was then. Today, we are the country that "lectures and leaves."

• (1700)

That's not what Canadians were promised this country would be under a Harper government.

This latest Speech from the Throne was delivered on October 16, 2013. Exactly six years to the day earlier, on October 16, 2007, we sat in this chamber and listened to another Speech from the Throne by the Harper government. At that time, which of course was not long after Mr. Harper took over, we were told:

The economy is strong, the government is clean and the country is united.

Colleagues, can the same be said today, after more than seven years of the Harper Conservatives? Is the economy strong? Is the government clean? Is the country still as united?

In the most recent Speech from the Throne, the government did not dare to attempt to claim that "the government is clean." The reason for their sudden silence is obvious to all, and that was even long before Canadians heard from Senator Duffy about the way business is really done in the Harper PMO.

I will list a few of the many ethical problems tainting any attempt made by this government to now present itself as "clean."

Senator LeBreton, I look forward to your contribution to the debate, but perhaps you will let me do mine right now. Thank you.

I will now list just a few of the many ethical problems tainting any attempt by this government to now present itself as "clean."

One former chief of staff to the Prime Minister, Bruce Carson, is awaiting criminal trial for influence peddling.

Another former chief of staff — namely, Nigel Wright — is under investigation by the RCMP for giving a secret cheque for \$90,000 to a sitting parliamentarian. The offences the RCMP believes Mr. Wright committed include bribery, fraud on the government, and breach of trust.

Indeed, even Prime Minister Harper has characterized his own office, the PMO, as one marked by "deception." How can a government claim to be "clean" when its highest office is accused of deception by the Prime Minister himself?

Meanwhile, the net of those in on this "deception" in the PMO keeps widening. You remember that initially Prime Minister Harper tried to say it was limited to his chief of staff. Then he had to admit that it extended to a "very few" people. Well, of course, Canadians have heard statements that these "very few people" included a PMO lawyer to the Prime Minister; the Director of Issues Management for the Prime Minister; the Prime Minister's principal secretary, and the man the Prime Minister has chosen to now serve as his chief of staff; the lawyer for the Conservative Party of Canada; and even the chief fundraiser for the Conservative Party, our colleague Senator Gerstein. And that

is to name just a few in this fast-widening circle of the Prime Minister's closest advisers who apparently were in on this terrible "deception."

The other half of the Wright-Duffy scandal is of course our now-suspended colleague, Senator Mike Duffy. He made countless public appearances at Prime Minister Harper's side at election and other events. He saw himself as such a close and trusted adviser to the Prime Minister that in discussing with Senator Gerstein his "expanded role within the party," Senator Duffy reportedly suggested that he be made a cabinet minister. That didn't happen.

Today, of course, Senator Duffy is under criminal investigation by the RCMP for bribery, fraud on the government, and breach of trust, or as I like to call it, the new Tory hat trick. And fortunately for those involved, none of these crimes yet carry mandatory minimum sentences.

But no one should be under any illusion that these ethical problems are confined to recent events. In fact, even while the government was claiming in 2007 that the government was "clean," they were already operating in what can only be described as a very dirty manner.

The Harper government came into power in the 2006 election. Later, Canadians were disturbed to learn that in that election, the Conservative Party violated election financing rules — the so-called "in and out" scandal. In 2011, four very high-level Conservative Party officials, including two appointed to this chamber by Prime Minister Harper — one of whom, of course, has since been identified as knowing about the "deceptive" Wright cheque to Senator Duffy — were charged for violations under the Canada Elections Act. A deal was subsequently made — a plea bargain. The charges were dropped against the four individuals, while the Conservative Party of Canada and its fundraising arm, the Conservative Fund, entered guilty pleas.

In other words, colleagues, the Conservative Party of Canada admitted it had violated the Canada Elections Act in the election that brought the Conservative Party to power in 2006. The party of "law and order" and "tough on crime" was prepared to and did break the law in its determination to take power.

That guilty plea was made in November 2011. Of course, it was just months earlier, in May 2011, that another election took place, with even more serious allegations of violations by the Conservatives of the Canada Elections Act: The so-called "robocalls" scandal.

That investigation is still ongoing, but charges have already been filed against one Conservative campaign worker. We recently learned that a senior lawyer for the Conservative Party — the same one who allegedly knew about the Wright-Duffy dealings — sat in on and actually participated in witness interviews during the investigations, something that shocked many in the legal community. Media reports suggested that he directed witnesses and even intervened to prevent another lawyer from attending an interview, as originally requested by the witness in question.

Eight Canadian citizens, voters residing in six electoral districts, initiated proceedings in the Federal Court of Canada because of what they alleged were efforts to suppress votes in the 2011 election. After hearing all the evidence, the court found:

The evidence presented in these applications points to a concerted campaign by persons who had access to a database of voter information maintained by a political party.

And later:

I am satisfied that [it] has been established that misleading calls about the locations of polling stations were made to electors in ridings across the country, including the subject ridings, and that the purpose of those calls was to suppress the votes of electors who had indicated their voting preference in response to earlier voter identification calls.

... I am satisfied... that the most likely source of the information used to make the misleading calls was the CIMS database maintained and controlled by the Conservative Party of Canada, accessed for that purpose by a person or persons currently unknown to this Court.

Of course, the robocalls scandal is not the only problem coming out of the 2011 election. Continuing with the theme of “clean government,” we also have the strange story of Dean Del Mastro, member of the other place for Peterborough, who, until two months ago, was the Parliamentary Secretary to the Prime Minister. In that capacity, he regularly stood and defended the actions of the Harper government against allegations of wrongdoing in the 2011 federal election. Mr. Del Mastro was recently charged with four counts of violations of the Canada Elections Act, arising out of his own campaign in the 2011 election.

Then there is Peter Penashue, elected to represent Labrador for the Conservative Party, who resigned from cabinet and his seat in the other place because of allegations he had violated the Canada Elections Act in the 2011 election. A by-election was called and the voters of Labrador soundly rejected him, choosing the Liberal candidate, now MP, Yvonne Jones.

Colleagues, what was Mr. Harper’s reaction to the allegations about Mr. Penashue? He called him — and these are Mr. Harper’s words — “the best member of Parliament Labrador has ever had.” Clearly, from Mr. Harper’s view, breaking election law is consistent with the designation of honourable.

No examination of Mr. Harper’s claim six years ago that his government is “clean” would be complete without looking at Arthur Porter. Dr. Porter was chosen by Prime Minister Harper, first to be a member of the Security Intelligence Review Committee, and then promoted to chair that committee. The Security Intelligence Review Committee is the body that reviews the operations of CSIS. It has full access to all CSIS files. In other words, it has access to Canada’s highest classified, most secret and

protected national security files, including information shared with the Canadian security and intelligence community by other intelligence agencies, including our friends in Britain and the U.S.

• (1710)

What is Dr. Porter doing now after being chosen by Prime Minister Harper to oversee our country’s most sensitive secrets? Honourable senators, he is sitting in a jail in Panama fighting extradition back to Canada, facing charges of fraud, conspiracy to commit fraud, fraud toward the government, breach of trust, participating in secret commissions and laundering proceeds of crime.

Throw in bribery, and we have another Tory hat trick.

What does this choice tell us about this Prime Minister’s judgment of character? Does this lack of judgment sound familiar after all we have gone through in these past few weeks?

Paul Kennedy, who, among other things, served as Senior Assistant Deputy Minister of Public Safety and was legal counsel to both CSIS and CSEC, wrote recently:

The allegations surrounding Mr. Porter no doubt occasioned significant angst amongst officials at CSIS, and their international partners, as to potential harm that he may have occasioned.

A recent article in the *Ottawa Citizen* revealed that at the time of the appointment of Dr. Porter to SIRC, Prime Minister Harper was told of possible problems with his choice. He was told that during Dr. Porter’s time in Detroit, there had been numerous problems — conflicts of interest, bad management and threatened guardianship. The *Ottawa Citizen* investigated; they learned that there was no follow-up. Mr. Harper evidently received the information, but no one contacted the key individuals in Detroit as part of the screening process for Dr. Porter.

The *National Post* ran a series of articles in November of 2011 detailing alleged involvement by Dr. Porter in complicated deals with the governments of Sierra Leone and Russia and with Mr. Ari Ben-Menashe, a notorious international arms dealer.

Amongst other things, in 1989, Mr. Ben-Menashe was arrested and charged in the United States for illegally attempting to sell military aircraft to Iran. This was who Dr. Porter was partnering with after Prime Minister Harper decided that he was the best person in the entire country to oversee Canada’s national security operations.

It was only after the *National Post*’s revelations that Dr. Porter resigned his position as chair of SIRC and subsequently fled the country.

Honourable senators, the Marx Brothers could not have written such a farce, but in Canada, under Prime Minister Harper, anything is possible.

As a final touch, no one should be surprised that Dr. Porter donated money — the maximum allowable — to the Conservative Party during the weeks leading up to his appointment to SIRC and continuing for several years afterwards.

Honourable senators, all SIRC members are briefed by the Privy Council Office before assuming their position and are advised that, under the rules, they should not make donations to political parties.

The Conservative Party's response to the allegations about Dr. Porter? "We have no comment," replied Conservative Party spokesman Fred DeLorey. He didn't notice that his silence spoke volumes.

Questions about the Prime Minister's judgment continue. There was the equally bizarre story of Saulie Zajdel, the Conservative candidate in the Montreal riding of Mount Royal in the 2011 federal election. He appeared repeatedly with Prime Minister Harper during that campaign, and after he lost the election to my colleague in the other place, Irwin Cotler, Mr. Zajdel was hired by the Minister of Canadian Heritage. In fact, Mr. Cotler alleged that Mr. Zajdel was collecting a government paycheck while essentially trying to be a shadow MP in Mount Royal, to do the duties that voters had chosen Mr. Cotler to fulfill.

The controversy came to an abrupt end a few months ago when Mr. Zajdel was arrested and charged with bribery, breach of trust, fraud and corruption. Again, the Tory hat trick.

These are all ethical scandals that Prime Minister Harper would like Canadians to forget. He hoped that by proroguing Parliament, somehow they would disappear from the Canadian consciousness, but a reset button is not an eraser and cannot expunge the important roles Prime Minister Harper himself entrusted to these now disgraced individuals.

Most dramatically — and you knew it had to come to this — Toronto Mayor Rob Ford was extravagantly praised by Prime Minister Harper for his help in winning Mr. Harper his Conservative majority. We all remember the video, which, perhaps not surprisingly, has been removed from YouTube, of the barbecue two years ago at Rob Ford's home.

**Some Hon. Senators:** Oh, oh!

**Senator Cowan:** Senator Tkachuk will have his opportunity. Will he be speaking just after Senator LeBreton or just before?

According to news reports, the barbecue was held to honour Minister of Finance Jim Flaherty and had been organized by Conservative MPs Patrick Brown and Kellie Leitch, who is now Mr. Harper's Minister of Labour and Minister of Status of Women, which for obvious reasons must now be particularly awkward for her. The party was attended by some 700 Conservative volunteers, staffers and supporters.

Prime Minister Harper thanked Rob Ford's mother for "giving us this great political dynasty." He told the crowd: "Many of you may remember Rob endorsed us in the election. That helped a lot."

There were also references to the fact that Mr. Ford and Prime Minister Harper were fishing buddies. These fishing trips became an annual affair. Indeed, last year, according to reports by Sun Media, Mayor Rob Ford and Prime Minister Harper spent nine hours together at the official taxpayer-funded government retreat at Harrington Lake, fishing and discussing their political future and upcoming elections.

Honourable senators, premiers in this country struggle to get any time with the Prime Minister; yet Rob Ford was able to get nine hours in a single day. Of course, just two months ago, long after the allegations of Mayor Ford smoking crack cocaine surfaced, the Prime Minister and Finance Minister Flaherty were happy to hold a photo op with Mayor Ford. Let me read to you an article about that event:

The prime minister and his finance minister, Jim Flaherty, have clearly decided that the scandal-prone, gaffemeister mayor will not have another nuclear misstep between now and voting day in 2014.

This is not merely Conservatives deciding Ford is safe. This is a full-out plan to embrace Toronto's stumbling mayor.

Context can be everything. Prime Minister Harper is not someone who glad-hands any Canadian who happens to be near him. On the contrary, we all remember that he had his staff "creep" Facebook pages of young Canadians who simply wanted to attend an election event with the Prime Minister in the last federal election. Suspected Liberal supporters were excluded, but, evidently, crack users are welcome, as long as they deliver Conservative votes.

Honourable senators, I believe in due process. I would not convict Rob Ford before he has his day or days in court, but, once again, this is about Prime Minister Harper's judgment. He is not reputed to be a particularly social person; yet whom does he choose to spend nine hours with, in a small boat? A man who, Canadians are learning, smoked crack cocaine, regularly drank himself into a stupor, drank while driving, regularly spent time with gang members and has made disparaging remarks about women.

I would never tell anyone, including the Prime Minister, who he should and should not choose to be his close friends; but at the same time, I retain my own right to judge a man, as they say, by the company he keeps.

• (1720)

Colleagues, I am sorry to say that even this long list of judgment "lapses" by the Prime Minister is not complete. There are other examples, too many, of terribly inappropriate

appointments made by this government. Christiane Ouimet was chosen by the Harper government to serve as Canada's first Public Sector Integrity Commissioner. She was tasked with protecting whistle-blowers in the federal government but was found by Sheila Fraser, then Auditor General of Canada, to have engaged in inappropriate conduct with her own staff. Madam Ouimet took retaliatory actions against employees —

**An Hon. Senator:** Oh, oh!

**Senator Cowan:** I've obviously struck some sensitive nerves over there. I certainly wouldn't want to do anything to disturb Senator Tkachuk, but at least he's paying attention.

Madam Ouimet took retaliatory actions against employees and failed to perform her own official duties. In other words, colleagues, the person charged with providing a safe haven for whistle-blowers created such a toxic environment in her own office that her own employees needed to blow the whistle on her. Throughout the period when the conduct was ongoing, the Harper government expressed itself very satisfied with Ms. Ouimet's work, thanking her for her "hard work and dedication" and awarding her a back-dated pay raise.

Another questionable appointment by Prime Minister Harper was the Chair of the Canadian Human Rights Tribunal, Shirish Chotalia. She was found to have harassed two employees and engaged in "baffling, if not bizarre" behaviour. A quarter of her staff filed harassment complaints against her — the hand-picked Chair of the Canadian Human Rights Tribunal. And irony of ironies, the Office of the Public Sector Integrity Commission was tasked with investigating the workplace of the Canadian Human Rights Tribunal.

Of course, just a few days ago, Canadians learned of another close friend of the Finance Minister, namely Jim Love, who was appointed in 2006 to serve on the Board of the Royal Canadian Mint. In 2009, he was made chair of the board, a position he still holds. In 2007, he was also appointed by Jim Flaherty to serve on the government's Advisory Panel on Canada's System of International Taxation, referred to at the time by Minister Flaherty as the "tax fairness panel." All the while, Mr. Love was also advising wealthy clients on how to move millions of dollars through a complex web of numbered companies and off-shore entities in tax havens like Bermuda, Barbados and Antigua to avoid paying Canadian taxes.

Mr. Love has been acknowledged to be a good friend and law school classmate of Finance Minister Flaherty, and indeed the ties between them seem very close. His son works in Minister Flaherty's office. Mr. Love donated over \$63,000 to Mr. Flaherty's campaigns for the leadership of the Ontario Progressive Conservative Party. In 2009, the same Mr. Love was appointed chair of the Mint, and in that year, his wife and three colleagues donated \$10,000 each to Mr. Flaherty's wife's campaign for the leadership of the Ontario PCs.

Minister Flaherty's press secretary wrote in response to the investigative report by the CBC that Mr. Love "made valuable contributions" to the advisory panel's deliberations and was chosen for his expertise in international tax. Colleagues, what sort of advice on international taxation do you imagine Mr. Love was giving Minister Flaherty? Would it be advice that would harm his clients or advice that would ensure that all Canadians, including

his wealthy clients, paid their fair share of taxes? Is that the Harper government's view of "tax fairness": fair for their friends and let other, less wealthy Canadians carry the tax burden?

Is this what Canadians expected to see after seven years of the Conservative government? Is this what a competent and clean government looks like? Is this how it should behave?

Stephen Harper the candidate promised Canadians accountability and a high standard of ethical conduct. Stephen Harper the Prime Minister delivered something very different. In fact, it is notable that in the very long Speech from the Throne, the word "accountability" appeared only once, promising what was called "performance accountability" in the federal public service. It's now something for other people, bureaucrats, not for the Prime Minister or members of his government.

Honourable senators, Canadians elect a government in an act of trust — trusting that the Prime Minister will choose people of honesty, integrity and good character to assist in the important work of government and trusting that he will probe to make sure that every person he chooses is the best person, both for the job and in his or her character.

Abraham Lincoln once said, "Character is like a tree and reputation like its shadow. The shadow is what we think of it; the tree is the real thing."

Canadians expect the real thing from their government. They placed their trust in Mr. Harper to deliver the real thing and, in return, they received empty words — a theatre of carefully orchestrated shadows. And when they looked behind the curtain, when journalists began to probe, they found a very different reality.

Even Sun Media, probably the loudest and most unquestioning cheerleader for the Harper government recently ran a column by John Robson headed:

House of the whopper: PM has spun such a web of deceit, he should resign or be dismissed.

It began:

Unless it is OK for the prime minister to lie repeatedly and openly on an important matter, Stephen Harper must resign or be dismissed.

Michael Den Tandt of PostMedia, after reading the RCMP affidavit about Mr. Wright and Senator Duffy, wrote about the affidavit:

It reveals Harper's command structure, at the level of his closest and most loyal confidants, to be a nest of corruption, intrigue and shameless deceit.

To answer my original question: Is today's Harper government "clean," as was claimed six years ago in the Speech from the Throne? All the evidence says no; and it comes down or it comes back to the Prime Minister, the choices he has made and



continues to make, and the standard he sets for all in his government and his party. Taking responsibility for those choices — that is accountability.

Honourable senators, as I mentioned earlier, during the Throne Speech of October 16, 2007, the Harper government also said “the country is united.” That was true then. After 12 years of Liberal governments, the Harper government inherited a country that was strong and united. Major agreements had been reached with the provinces on long-term health funding, the Kelowna accord and a framework for a national day care program.

Today, after seven years of Stephen Harper’s “politics of division,” the landscape is very different.

Canada is a federation, yet this Prime Minister refuses to attend meetings with the premiers of the provinces and territories. The last time he held a first ministers meeting was in January 2009, soon after the 2008 financial crisis hit the world. The premiers continue to meet, recognizing the importance of working together to address critical issues effectively for the nation as a whole. But Prime Minister Harper refuses to attend. He is invited, but he will not go.

A few months ago, when Mr. Harper took time to meet two pandas freshly arrived in Canada from China, the Twitter-verse lit up. A typical tweet: “Imagine, PM Harper won’t meet with Premiers but will meet with 2 Pandas in TO, is there a lesson here? Should Premiers dress as Pandas?”

It’s time for Prime Minister Harper to put down the bamboo and stop bamboozling Canadians.

On issue after issue, we have lawsuits — provinces taking the federal government to court, objecting to the “my way or the highway” approach of the Harper government. Scarce taxpayers’ dollars are being spent on lawyers, and our already overburdened courts are being required to take time from their busy schedules to adjudicate our federalism.

• (1730)

Every single province and two of the three territories intervened in the Senate reference before the Supreme Court. Every single one took the position that provincial consent was required for one or another of the government’s proposed unilateral reforms to the Senate.

Colleagues, we in this chamber urged the Harper government years ago, in June of 2007, to engage with the provinces on the issue of Senate reform. We said at the time either consult with the provinces or go to the Supreme Court to determine whether you may constitutionally proceed unilaterally as you’re attempting to do.

It always struck me as absurd, and frankly potentially dangerous as a precedent, to seek to reform our fundamental constitutional institutions by ignoring or circumventing the

Constitution itself. We are a federation. As the Government of Prince Edward Island said in its factum to the Supreme Court:

There are burdens in a federation such as ours but, at the end of the day, a deal is a deal.

Today, more than six years later, Senate reform is no further ahead. The government finally took our advice and referred the matter to the Supreme Court, but the Senate, and indeed our parliamentary democracy, could have been significantly strengthened long ago had action been taken sooner, as we suggested.

Remember the Harper government’s signature plan for a national securities regulator? It, too, ended up in court. Seven provinces intervened in that case, all but one opposed to the federal government’s plan. In a unanimous 7-0 ruling, the Supreme Court found that the Harper government’s proposed legislation was an unconstitutional infringement on provincial jurisdiction.

The latest on this file? Once again, Mr. Harper is trying to impose his will by enlisting those few provinces that agree with his position. As with Senate reform, he’s trying to create a reality that will eventually simply overwhelm those who disagree.

As I will describe shortly when I speak about jobs and the economy, the government’s centrepiece of its jobs plan for the 1.3 million unemployed Canadians, the proposed Canada Job Grant, is a federalist fiasco. Chris Hall of the CBC recently described it as an example of, to use his words, “... an approach that jettisons co-operative for confrontational federalism.”

The premiers met a few weeks ago, on November 15. Prince Edward Island Premier Ghiz was reported in *The Globe and Mail* as having “thrown down the gauntlet, demanding Ottawa do more to help the provinces on everything from health care to skills training.” The premier said:

Federal and provincial governments are equal partners in Canada... We need to make sure we’re working together and unfortunately, right now, that’s not happening.

He wasn’t alone in expressing his frustration. Ontario Premier Wynne, who chaired the meeting, said:

The framing issue which comes up at all of these meetings, and today was no exception, was the relationship with the federal government.

Colleagues, how can this approach by Prime Minister Harper possibly strengthen unity? Whether one believes that Prime Minister Harper is absolutely correct in his goals or completely wrong-headed is not the issue. Canada is a federation. We need our Prime Minister to know how to sit down with his constitutional partners, to have the skills to demonstrate why the status quo isn’t working and to work out a solution in the best interests of the nation as a whole.

Jeffrey Simpson wrote a column recently in *The Globe and Mail*. It was entitled “Keystone statesmanship would be the real ‘no-brainer.’” His issue was the Keystone XL pipeline, but the principle goes much beyond that. He argued that the Harper government has been deploying all the strategies of salesmanship without once approaching the issue as one of statesmanship.

In his words:

Statesmanship involves figuring out what the other side needs to give you the answer you want, rather than repeating the same message about why the other side should want what you are selling.

Salesmanship does not require the side doing the selling to change any of its practices or engage in any self-analysis. Statesmanship requires the willingness to be self-critical, the ability to see the world as the other side sees it and to adjust practices so that the other side can say yes.

Salesmanship is for marketers and proselytizers; statesmanship is for those with an understanding of the complexities of the world.

Colleagues, statesmen preside over strong, unified resilient nations. Salesmen? Some do well, but some sell snake oil.

And the politics of division isn't impacting only federal-provincial relations. It's being felt daily as citizens are pitted against citizens, regions against regions. We've seen this recently with the proposed Quebec charter of values, which looks to pit one group of Canadians against other groups of Canadians, and the slow, confused and shockingly mixed response from the Harper government.

And we've seen this as public servants are pitted against private sector workers. Instead of asking how to secure good retirement income for all Canadians, whether in the public or the private sector, the private sector is encouraged to resent the pensions of their public-sector neighbours.

Non-unionized employees are encouraged to resent the higher pay and better benefits of their unionized neighbours, instead of the government showing leadership in working to ensure higher pay and better benefits for all.

Indeed, even within the federal public service, the Harper government has chosen to downsize by pitting colleague against colleague, making four co-workers compete for three positions for jobs they have worked at side by side for many years. Under Mr. Harper, the bureaucracy is becoming *The Hunger Games*.

Regions of low unemployment resent regions of high unemployment. How often have we heard how “hard-working Canadians” don't want “their tax dollars” going to support — you fill in the blank — the unemployed, the poor, the sick, the immigrant, the immigrant's mother, or even basic health care for

refugee claimants, people who have come to Canada seeking a safe haven from some of the most terrible circumstance on the planet?

Aboriginal Canadians are ignored, shunted aside, kept out of meetings, sidelined. Last January, David Kawapit, a 17-year old member of the Cree Nation, decided he would walk to Parliament Hill to rally for better conditions for Canada's First Nations. He wasn't leaving home a few blocks away, colleagues. He was leaving from a remote village on the shore of Hudson Bay, 1,600 kilometres from Ottawa. Kawapit, together with five supporters and a guide, left on snowshoes, towing their supplies. They walked through bush and snow in freezing temperatures. Their walk was called “The Journey of Nishiyuu,” which is Cree for the journey of the people. Hundreds of supporters joined these young Cree.

Finally, exhausted after months of walking, they arrived on Parliament Hill, but the Prime Minister was not there to greet them. His priority was greeting two pandas as they arrived in Toronto from China.

At the Conservative convention a few weeks ago, Stephen Harper told his supporters that he “couldn't care less” what Canadians who disagree with him think — something he said a few weeks earlier in a press conference on a different topic. Well, colleagues, many in our First Nations knew that already: He simply couldn't care less.

In contrast, Liberals brought together all levels of government together with all Aboriginal leaders, and worked to produce the historic Kelowna Accord. You will recall that the Harper government tore up the accords and replaced them with nothing.

And of course this summer, Canadians learned that the Harper government divides them into “friends” and “enemies.” Yes, this government directs its staff to maintain “enemies lists.” We're not talking about lists of terrorists or subversives seeking the overthrow of the Western world; we're speaking about Canadian individuals and organizations who simply don't agree with particular policies of the Harper government. Women's organizations who dare to advocate for subversive issues like child care so that mothers can work, and equal pay for that work; environmental organizations, those dangerous groups that are trying to prevent some of the terrible effects the world is already seeing of climate change; and unions, who fight for good-paying jobs, safe working conditions and retirement benefits that actually will be there after a lifetime of work.

• (1740)

Scientists, especially those who work for the Harper government, fear that they, too, may be on the government's enemies list. A recent survey of scientists in the public service found that fully 90 per cent of respondents don't feel that they are allowed freely to speak to the media about their work; 71 per cent said that political interference is compromising policy development based on scientific evidence; and almost half were aware of cases in which their department or agency suppressed information. And colleagues, 86 per cent believe they would face retaliation if they went public with information about harm to public health, safety and the environment.

Think about it: Our scientists, paid by Canadian taxpayers to tell the truth, believe that they would face retaliation from their own government if they told Canadians about harm the public faces, whether to public health, safety or the environment.

The Auditor General's fall report was released just a few days ago. He raised significant concerns relating to issues of food safety and rail safety.

Colleagues will recall the serious issues last year with tainted beef from XL Foods in Alberta. That led to 18 confirmed cases of Canadians sick from E. coli-related illnesses, and the largest beef recall in Canadian history — over 7 million kilograms of beef products across Canada and the United States. But that wasn't the first major issue of food safety on the Harper government's watch. In 2008, there was an outbreak of listeriosis related to products of Maple Leaf Foods in Ontario. That resulted in the recall of almost 200 products and was linked to 57 cases of illness and 23 deaths.

The Auditor General found a number of significant problems with the government's food safety system. He said:

While illnesses were contained in the recalls we examined, I am not confident that the system will always yield similar results.

The Auditor General also found what he described as "significant weaknesses" in the government's oversight of rail safety. Colleagues, that report was completed just days before the tragic events at Lac-Mégantic this summer. CBC did some investigating and reported last week that the incidence of runaway trains — trains that, like the one at Lac-Mégantic, are inadequately secured in a train yard, and trains that actually separate while in transit, including some carrying passengers — are happening on average 35 times a year, almost triple the rate reported by the Transportation Safety Board.

Unfortunately, as all of this is taking place, public servants, including scientists, believe that they would face retaliation if they spoke out publicly about threats to public safety. Canadians are left to wait and hope that the Auditor General decides to audit the right issue at the right time — or for problems to erupt, which we've seen can come with sickness and even death.

Other people suggested by some to be on the government's enemies list include Linda Keen, the former head of the Canadian Nuclear Safety Commission; Kevin Page, our former Parliamentary Budget Officer; Munir Sheikh, the former Chief Statistician of Canada; David Suzuki; and Richard Colvin. The list of eminent, dedicated Canadians apparently on this government's enemies list goes on and on.

This past July, after news broke that the Harper government was maintaining lists of enemies, a coalition called Voices-Voix wrote to the Prime Minister. They represent more than 200 national and local civil society organizations across Canada. They

wrote to express how "deeply troubled" they are about the use of the term "enemy," and they asked that the list be made public. They wrote:

Voices-Voix came together in 2010, reflective of growing concern that the space for civil society dissent and advocacy with respect to a range of critical social and public policy matters in Canada... has become significantly constrained....

We have researched and documented numerous instances of individuals and groups suffering serious financial, organizational and professional consequences because they have disagreed with the government.

This letter was signed by such subversive organizations as Oxfam Canada, Amnesty International Canada, the Canada Without Poverty Advocacy Network and the Canadian Council for International Co-operation.

Voices-Voix maintains a website that includes what they call a "hit list." Let me read to you from the description of this "hit list":

The hit list documents more than 80 cases of individuals, organizations and public service institutions that have been muzzled, defunded, shut down or subjected to vilification. A further dozen are currently in development.

The evidence shows a pattern of silencing people, shutting out knowledge and narrowing the democratic space for those who engage in advocacy and dissent in Canada.

Colleagues, I quoted Abraham Lincoln earlier on character. He famously said: "A house divided against itself cannot stand."

Colleagues, there is no place in Canada for an enemies list. We are all Canadians. There must be room for all opinions, all ideas, all viewpoints, whether or not they are opposed by the government. That is a vibrant democracy. That is a strong nation.

Colleagues, is this country united today as it was before seven years of the Harper government? My answer would be no. I fear we are increasingly becoming a nation divided.

This brings me to the final boast by Stephen Harper back in 2007, when he said, shortly after taking over after 12 years of Liberal governments, "The economy is strong."

But instead of delving immediately into the Harper government's mismanagement of the economy, I'd like to adjourn debate for the balance of my time, so that I can do so tomorrow, because this sad story deserves its own place in our debates.

(On motion of Senator Cowan, debate adjourned.)

• (1750)

[Translation]

## CANADA PERIODICAL FUND

### INQUIRY—DEBATE CONTINUED

On the Order:

Resuming debate on the inquiry of the Honourable Senator Chaput, calling the attention of the Senate to the Conservative government's unilateral decision not to review the standards and criteria of the Canada Periodical Fund and the disastrous consequences of this failure to act for francophone minority newspapers, such as *La Liberté*, Manitoba's only French-language weekly.

**Hon. Claudette Tardif:** Honourable senators, I rise today to speak to an issue that unfortunately has not yet been resolved and that concerns the unknown criteria for the funding formula of the Canada Periodical Fund.

First of all, allow me to thank our colleague, the Honourable Maria Chaput, for initiating this inquiry on the Canada Periodical Fund, a crucial program that has a direct impact on the survival of our French-language newspapers in official language minority communities. Senator Chaput is calling the attention of the Senate, and I quote:

...to the Conservative government's unilateral decision not to review the standards and criteria of the Canada Periodical Fund and the disastrous consequences of this failure to act for francophone minority newspapers.

On November 29, Senator Chaput gave a compelling presentation on the situation affecting the French-language weekly *La Liberté*, which celebrated its 100th anniversary last June.

It is unthinkable that, without immediate action by the Minister of Canadian Heritage, Manitobans could lose their only French-language weekly.

Furthermore, other French-language newspapers in Nova Scotia, Alberta and Ontario are in serious trouble.

Dear colleagues, for several years now, these community newspapers have been feeling the effects of the Department of Canadian Heritage's delay in changing the way this program works to better reflect the specific needs of certain French-language newspapers in minority communities, namely those that cover a broad area and have no choice but to depend on Canada Post for their weekly delivery.

Senator Chaput and I have asked the government many times to review the funding formula and to make the special eligibility criteria public. Today, the delay in changing the formula has become unacceptable.

Funding is insufficient and arbitrary and is forcing French-language newspapers to operate with less and less revenue.

I have spoken in this chamber several times to make my colleagues aware of this serious problem. In November 2009, the Association de la presse francophone informed me of a potential delay in the introduction of the Canada Periodical Fund. It was already concerned about a change in this program's formula.

It is important to point out that, for several years, these French-language weekly newspapers have also been gradually losing a significant amount of revenue from other sources. For example, the federal government has made considerable cuts to its newspaper advertising. What is more, many organizations and associations that are experiencing budget cuts are reserving less and less advertising space in these newspapers.

Speaking of federal government advertising, allow me to draw your attention, dear colleagues, to a very worrisome situation for official language newspapers. Over the past week, Canada Post, a Crown corporation subject to the Official Languages Act, ran an ad nationwide. Newspapers such as Nova Scotia's *Chronicle Herald*, Manitoba's *Winnipeg Free Press* and Alberta's *Calgary Herald* and *Edmonton Journal* all ran big ads in English. Under the Official Languages Act, Canada Post should have also run an ad in the provinces' official language newspapers to inform francophones, as it did anglophones, of the services it is offering during the holiday season. However, in the media plan submitted by Toronto's Zenith Optimedia, official language newspapers were intentionally overlooked.

In addition, Canada Post agreed to that media plan without making the changes that were necessary under the act. Efforts from these newspapers to contact the agency and a follow-up from the Office of the Commissioner of Official Languages to inform the agency that it had to comply with the act were not successful. Zenith Optimedia refused to reverse its position on this issue. In my view, this situation is very worrying. Complaints submitted to the Office of the Commissioner of Official Languages will confirm that Canada Post did not meet its obligations under the Official Languages Act, but for the French-language minority newspapers, the damage will have already been done: they will not have received this ad. The biggest losers will therefore be the readers of these newspapers, since they will not have access to the same information that anglophone readers do.

Speaking of Canada Post, a steady increase in rates, including one scheduled for January, is driving up costs. It is difficult for a provincial newspaper like *Le Franco* to consider another mode of distribution, since subscribers are scattered throughout the province, from Saint-Isidore in the northwest to Lethbridge in the southeast — two communities that are a 10-hour drive apart.

Over the past three years, the funding for French-language weeklies has declined as a result of the new program. The newspapers' managers still do not know the exact formula, which is apparently based on the number of paying subscribers. Beyond the criteria used to determine who is eligible and who is not, recipients still do not know what criteria are being used to arrive at a specific amount. Newspapers are granted a given sum without clear justification.

The third and final year of the program is set to expire on March 31, 2014. Yesterday, December 9, 2013, marked the deadline for newspapers to submit their applications for the 2014-15 fiscal year. That means those applications were prepared before newspapers had the opportunity to review the fund's evaluation for the first three years or the adjustments that will be made to ensure fair and equitable funding.

Honourable senators, let me tell you about the situation of the *Le Franco* newspaper in Alberta.

*Le Franco* was established in Edmonton 85 years ago and has 4,200 subscribers. This newspaper is an integral part of our community. Over a three-year period, *Le Franco* has seen a general decline in revenue because of a new funding formula for the Canada Periodical Fund. This formula does not take into account the real constraints on *Le Franco* and a number of other French-language newspapers in minority settings, as I have said before.

*Le Franco's* administrators have had to come up with creative ways to find sources of revenue to make up for the losses. The Association canadienne française de l'Alberta has rethought its membership scheme to help financially. *L'annuaire des services en français*, a directory of French-language services in Alberta that is published annually, is another source of income, as is a monthly French-language publication created in September 2012 for the Calgary area and the southern part of the province., but these are far from sufficient.

[English]

**The Hon. the Speaker pro tempore:** Is it possible to have silence to hear the senator speaking? I'm hearing all kinds of conversations, and I think we should pay attention to what Senator Tardif is saying.

[Translation]

**Senator Tardif:** Thank you, Mr. Speaker.

*Le Franco* has a team of just three employees. The amply justified activities and operations of this newspaper deserve funding. With the increased number of subscriptions have come a larger print run and higher mailing costs. The postal rates are going up by 10 per cent in January 2014. The postal service is essential for distributing the newspaper throughout the province. *Le Franco* continues to print paper copies mainly because its readers are spread throughout Alberta, where access to broadband Internet is often limited.

French-language newspapers are tools of communication and information that are essential to the vitality of francophone minority communities. For francophone and francophile Albertans, whose communities are spread out throughout the province, *Le Franco* enjoys an excellent reputation thanks to the hard work of its team of collaborators and the initiatives taken with its partners.

The number of subscriptions to the newspaper is rising. Our weekly Albertan newspaper opened an office on December 2 because of its popularity and the growing francophone population in Calgary. Nonetheless, budgets are tight so this office is occupied by only one journalist who works in Edmonton as a correspondent. Events in Edmonton are covered by the paper's management, one full-time journalist and freelancers.

• (1800)

It is difficult to imagine the hoops this newspaper has to jump through to produce and offer francophones a high-quality newspaper in their language. Meeting that challenge requires a great deal of courage and motivation from everyone involved.

*Le Franco*, the only weekly French-language paper for the Franco-Albertan community, is a key part of community development. It is the platform for many associations and organizations that count on the newspaper to spread information about community issues.

[English]

**The Hon. the Speaker pro tempore:** Colleagues, do we see the clock or is there agreement not to see the clock?

**Some Hon. Senators:** Not to see the clock.

**Hon. Senators:** Agreed.

[Translation]

**Senator Tardif:** Honourable senators, French-language print media in minority communities is invaluable to our country. We need to do everything we can to protect it and help it prosper. It must not disappear. French-language newspapers deserve special treatment, and it is imperative that the government take measures to ensure a transparent funding formula as well as stable and predictable funding.

The Minister of Canadian Heritage must intervene in accordance with Part VII of the Official Languages Act. The government must take positive action right now to get minority French-language newspapers out of this difficult dilemma. There is a pressing need for the government to carefully consider the reality and the needs of minority French-language newspapers by adapting the Canada Periodical Fund funding formula.

**Hon. Ghislain Maltais:** Would Senator Tardif allow a brief question?

**Senator Tardif:** Of course.

**Senator Maltais:** As you know, I am from a French-speaking province and, in the regions that are far from large centres, we also have an issue with regional weeklies that receive no funding. I would like to know if francophone business people are involved, if

they are contributing in some way. Is it a set amount or is it tied to sales? Are members of the francophone business community in these regions contributing to the weeklies?

**Senator Tardif:** Yes, the business community contributes, in the sense that businesses purchase ads in the weekly newspaper. Furthermore, every year, *Le Franco* publishes a little directory of all the associations and businesses that operate in French in the province.

**Hon. Joan Fraser (Deputy Leader of the Opposition):** I would like to thank Senator Chaput and Senator Tardif for bringing this important problem to our attention. We cannot overestimate the importance of these newspapers to the communities that read them and need them so much.

[English]

I would observe that hereto, as in many other cases, francophone communities are not the only official language minorities who find that their vital publications are having a terrible, terrible time. I hope to address that question, but after the break. In the meantime, I move the adjournment of debate for the balance of my time.

(On motion of Senator Fraser, debate adjourned.)

[Translation]

## FORESTRY INDUSTRY

### INQUIRY—DEBATE ADJOURNED

**Hon. Grant Mitchell** rose pursuant to notice of October 17, 2013:

That he will call the attention of the Senate to the forestry industry's efforts to address public criticism about environmental practices and how it could be applied to the energy industry.

He said: I am pleased to rise to speak to this issue, one that is very important to the oil industry in Canada and Alberta.

[English]

I have a chance to talk about the oil and gas industry in a way that I think opens up some possibilities, but not by talking directly about the oil and gas industry. Instead, the focus of my comments is on the forestry industry.

I want to thank our deputy leader for keeping this debate alive for me. I owe her a lot for that as I was otherwise disposed with the Defence Committee yesterday.

[ Senator Maltais ]

I want to talk specifically about the forestry industry. I'm going to draw on the comments of the former Executive Director and CEO of the Forest Products Association of Canada, Avrim Lazar.

Avrim Lazar is a remarkable person who did remarkable work on behalf of his industry and his association. He appeared many times before the Energy and Environment Committee and probably several times before the Finance Committee. He was exceptionally good. I had the opportunity — and I recommend this to all of our colleagues — to see his speech on YouTube. It was his retirement speech of this time last year, or 2012, to the Economic Club of Canada in Toronto where he outlined the challenges faced by the forestry industry in the 1980s and 1990s that culminated in their grasp, understanding and ultimately action of the need for transformational change in their industry in the early 2000s.

I borrow heavily from a discussion that I had with Mr. Lazar and also from his speech, and I once again would emphasize that it's worth listening to. It has great insight into the process of transformational change as it can affect a sector. There are lessons that I believe can be taken from this by the energy industry, which faces challenges that, while not exactly the same, are not dissimilar. I think, in fact, that the oil industry, the pipeline industry, is beginning to understand what the forestry industry went through and is beginning to adopt some of their techniques and their fundamental substantive changes in approach to their industry.

About 10 or 12 years ago, the forestry products industry of Canada was highly successful. It employed about 1 million people in Canada. If not the sole support, it was the significant support for over 300 communities in this nation and it was extremely profitable. But as Mr. Lazar said in his speech, in hindsight, it is clear now that if you were to have done a stress test on that industry as we do as a matter of course now on the financial industry, never really on other industries, you would have found that this industry was confronting serious problems. In one sense — and this didn't look like a problem but it came to be a problem — they didn't have to worry about their customers because they could pretty much sell everything they produced, he said.

They were focused on being competitive, which seemed to be the right thing to do at the time, but they began to realize that they needed to focus on adaptability because competitiveness is a subset of adaptability in a time when change is massive and transformational. They found that they fought the environmentalists. Their standard argument was, "We're right, you're wrong."

That was the situation about 10 or 12 years ago. Then, as Mr. Lazar pointed out — and I do not know exactly what his words were — a tsunami hit that industry. The pine beetle became a massive problem in killing forest resources.

Environmentalists began to understand that they would have much more effect by attacking the industry's customers rather than by attacking the industry. He went on to point out that this is a great irony. But one of the things that occurred was that the

public stopped blaming the industry for the problem and started blaming themselves, so they fundamentally changed the way they approached the forestry industry. And their buying patterns began to change.

• (1810)

The U.S. housing market collapsed. These things happen in markets. Growth went from the U.S. and Europe, which were fundamentally the markets for the forestry products industry in Canada, to China, dramatically and quickly. And the industry found that the harder it fought against the environmental arguments and the harder it tried to convince the people who were buying its products, the more it found that it had lost its reputational credit. That occurred because, over the previous 20 years, they had run into a great number of environmental challenges. They were accused of clear cutting and of polluting massively with their pulp industry. As I said, they would keep arguing, “No, no. We’re right and the environmentalists and everyone else are wrong.” So when the crunch really came and they had to defend their markets, they had lost their reputational credit.

What they did was quite profound. They did what any industry would do at first, and they did it about as well as an industry could: They began to focus dramatically on increasing productivity. So they worked with the unions, with workers more generally, and with the companies to find every possible way they could to enhance their productivity. They got some tax concessions from the government, which also enhanced their productivity. But they found that really kept them going on the same treadmill in the same box, and that wasn’t working, because the faster they went, the harder they tried, the more these other factors undermined and eroded their capacity to sustain their businesses in a profitable manner, let alone sustain them at all.

So they needed to adapt to the massive challenge of fundamental transformation in the way that they did their industry. Mr. Lazar would describe it as being a terribly tumultuous time for everyone in the industry — CEOs who would have to shut down entire towns, whose family would be unable to walk down Main Street without bumping into somebody who had lost a job, whose relatives had lost a job or whose mother or father had lost a job. It was a very, very difficult time.

And the harder they would work, they were also confronted by the dollar issue, because the dollar was going from 65 cents up to a dollar. Its value increased by two thirds in a relatively short period of time, which meant that the international sale — the export — of our forest products became much more difficult because, relatively speaking, they became much more expensive. So you can imagine a CEO trying to find productivity improvements and increases, and a two-cent increase in the dollar wiping out all that effort. They were on the brink, literally, of destruction; they were on the abyss.

They made some fundamental shifts in the way they viewed the world. First of all — and this is profound — they stopped looking at value-added and started looking at value extraction. So in addition to saying that they were going to stop simply focusing on

competitiveness and move to adaptability, following from that, they started looking at value extraction instead of value-added.

So what does that mean? Well, they undertook the study with the help of the collaboration of government, of 36 new bioproduct technologies. It turns out there was a \$200-billion bioproduct market worldwide that they had pretty much missed. And out of those 36 technological research projects, they found a number that began to make it possible for them to use their product, our wood, differently to promote different products and to make themselves completely new and different markets.

I will give one example, which is really interesting. They now take from trees nano-crystals, which are used in screens like this to make them hard. Who would have even thought that was a remote possibility in 2000? By 2006-07, they were developing technologies that no one had even possibly imagined before that time.

They developed smart paper. They developed different kinds of additives for different kinds of products. They used every last feature of that tree now in ways that they had not comprehended before. There is very little to almost no waste.

So they looked at value extraction from the products they were producing and the resource they were using, rather than simply the older, more 19th or 20th century view of value-added — just a shift in the paradigm of thought.

They enlisted environmentalists. They stopped viewing environmentalists as their enemy and enlisted them; they embraced them. They went so far as to bring in an international environmental group, one that has been criticized by this government, the Pew Charitable Trusts, to negotiate treaties between Canadian environmental groups and the forestry industry companies.

The company said, “We will take absolute care of forests in these areas; that is to say, we will not forest them,” in return for the environmental companies saying, “We will no longer fight the way that we have been fighting against your development in any region whatsoever,” and the environmental groups would take some responsibility, therefore, for the sustenance of important jobs in Canada. They literally negotiated a treaty. And they used an international group, the Pew Charitable Trusts from the U.S. to negotiate that because they needed to have credibility in Europe and elsewhere in the world, and that group was able to give them that credibility.

The third thing they did is that they collaborated amongst themselves and with government. And they are very clear that they never could have made this transformation from an industry that was on the abyss to an industry that is now extremely successful once again without collaboration with government.

I mentioned in one example of how government collaborated on technology development. Government also — and this would not be necessary in the energy industry case — helped finance marketing operations in India and China. Government also led

trade missions — the Team Canada trade missions that were so successful and renowned throughout the era of the 1990s with the Chrétien and the Martin governments.

So they collaborated. And he mentions that is a quintessential Canadian thing to do, and it was a very significant part of the solution to this huge problem — a solution that was found in this quintessential Canadian arena.

I'm not saying that the oil industry faces exactly the same kinds of challenges, but there are some important parallels between the oil industry today and what the forestry industry was facing before.

The counterpart to the pine beetle — and it's not unrelated — for the oil industry is really the emerging issue of climate change. Say what we will about that, at some level, I think the people of B.C., many Americans and people around the world understand that this is a profound problem. And at some point, the recognition of that as a profound problem can become a problem for our industry. In fact, I would say that it is becoming a problem for the industry.

To the extent that the environmentalists went after customers, consider what's happening in Europe now with the Fuel Quality Directive. Environmentalists and others have convinced many powerful and significant people in the European Union of a Fuel Quality Directive regime, upon whose basis oil sources will be evaluated for their relative emissions standards, and if they're not measured fairly, then they will be discriminated against. If they don't meet these standards, they won't be allowed into Europe.

Well, Alberta oil is not being treated fairly under those fuel quality directives. Already, that's a very significant issue in Europe. The European Union has backed off and is looking at it, but it's exactly the kind of thing that can begin to erode an industry. If they had passed the fuel quality directives as they exist today — and we don't sell oil to Europe yet, but the west-to-east pipeline might open up that possibility — that market would be gone to us because we would be discriminated against. And if products were made in the U.S. with Alberta or Saskatchewan oil — Canadian oil, heavy oil — and then shipped to Europe, those products might be banned in Europe as well. So this is a real threat similar to the threat that the forestry industry saw.

• (1820)

What about opponents of the oil industry going after Keystone and Gateway? They're shifting their focus, and it's not a coincidence that Gateway and Keystone are both held up the way they are. That certainly accumulates to billions and billions as those projects are held up.

The dollar is different. In the case of the forestry industry, the increasing dollar made our forest products very uncompetitive and it was a body blow to that industry. What's very interesting about the dollar today is it's dropping quite significantly. I read an article and one analyst says it has a life of its own in the way it's dropping. It might well be that the market is anticipating that

Canadian oil won't find markets. It's the demand for Canadian oil that has pushed up the dollar. There are those who would argue that it's a petro dollar. It's difficult to prove this, of course, but it's a reasonable theory that the dollar dropping could be because — could I have another five minutes?

**The Hon. the Speaker *pro tempore*:** Is there more time for Senator Mitchell; five minutes?

**Hon. Senators:** Agreed.

**Senator Mitchell:** The dropping dollar could be as a result of the markets beginning to anticipate that Canada will have increasing difficulty finding products for its oil.

Up to three or four years ago it was a question of the oil sands expanding as rapidly as they could because it was a no-brainer. The world and the U.S. were going to have to buy our oil. It was very similar to the situation the forestry products industry found itself in, where we made it and they bought it. That's not so clearly the case. Technology has fundamentally changed now. Our single international market for oil and gas, the U.S., due to new technology changes — fracking, in particular, and finding tremendous oil and gas resources in shale — may well be completely self-sufficient in gas and in oil. So, all of a sudden, that market could be crunched in a very significant way.

I could go on drawing parallels between where the forestry industry was in 2002, before it embraced transformational change, and where the Canadian oil industry is today. I raise this as an alarm because this oil industry is so fundamentally important to the economic future of Canada and certainly to my province of Alberta.

What can be done? Well, collaboration with government. In this case, the most significant thing that the oil industry has to do is earn social licence, and it cannot earn social licence with a government that will not embrace the environment. In fact, what Canadians want and what the international community wants to know is if there is an independent third party, the Canadian government, that will secure in people's minds the sense that when these projects are built, they will be done as cleanly as possible and that as much regard as humanly possible will be paid to emissions. That is fundamentally important. I don't care how good Enbridge is, and it's a great company. It can argue that it can make the best pipeline in the world, and it probably can; and some of its competitors can make equally good pipelines, but they cannot fight the air war that's being fought against them by a government that keeps sending messages that the environment doesn't matter.

Climate change isn't even mentioned a single time — not a single time — in the Throne Speech. And we shut down the offshore spills office in Vancouver when the single greatest problem that B.C. people have with the Gateway pipeline is offshore spills. And we attack environmentalists. Instead, we should be embracing them. That's one fundamental lesson we should learn from the forestry industry.

[ Senator Mitchell ]



We need to imagine a different kind of energy future, one where we're using some of the wealth that we're taking from traditional energy and we're beginning to develop a different kind of energy future with renewables that can make us more competitive and productive, by definition, in the world, and that can create other markets for other products, all the while paying attention to greenhouse gas emissions and reducing them.

In order for any of this to occur, we need to have a real debate on climate change. I talked about that some weeks ago in this chamber, namely, the possibilities of how to structure that. We need to have a real debate. Maybe it's around a blast from the past in the use of royal commissions, which have been used with great effect to stimulate transformational change in this country; or maybe it's the round table approach used by Ralph Klein's Conservative government in the mid-1990s, when he first became premier. It created input from the public and gave the public a sense that important issues were being debated and they could see both sides. They could see experts; they could see ordinary Albertans involved in that process. A royal commission could do that as well. There are many other things that need to be done, but the oil industry needs to earn social licence. It can't do that without the help of government.

We all need to begin to imagine a different energy future, one that will sustain a new, invigorated, inspired economy for the next 60 or 70 years, like the one we had that came out of the Second World War; and we need to think about how to facilitate and catalyze that by having a real debate about a really significant problem, climate change, that faces this country.

**Hon. Nicole Eaton:** Will Senator Mitchell take a question?

**Senator Mitchell:** I certainly will.

**Senator Eaton:** I have trouble with your thesis because when you talk about environmentalists, it always stuns me, especially when reading about the opposition to Keystone. They never talk about California crude, which has the same carbon footprint as the oil sands because it's done in such an old-fashioned way. All those foundations and all those environmentalists don't talk about the coal-generated power plants up the Ohio Valley. Each one, individually, spews up more carbon than the whole of the oil sands.

Don't you find Europeans slightly hypocritical in that they don't question the Saudis' human rights record against women and gays? Don't you find that fact with Venezuela's human rights? They're buying and using their oil, but they're doing awful things to their people. Don't you find it appalling that Europeans buy Nigerian oil and just burn gas off in the atmosphere?

There is so much hypocrisy. I have trouble understanding why you are such a strong advocate for environmentalists.

**The Hon. the Speaker pro tempore:** If it is agreeable, I will let Senator Mitchell answer the question.

**Hon. Senators:** Agreed.

**Senator Mitchell:** I think Senator Cowan really hit it in his reference to Jeffrey Simpson's article about the difference between salesmanship and statesmanship.

When we go down there and we argue that the U.S. is worse and that's why we need not do as much as we could. If you say, "We're willing to match you, U.S.; if you want to do something with respect to greenhouse gases, we'll do it, too," basically you're calling them hypocrites. You're trying to sell them something and you're calling them hypocrites. "Ma'am, you want to buy this new car? We've got a great new car for you, but you're a hypocrite." That's a great sales technique because that's essentially what you do when you attack.

It isn't just "environmentalists," whoever they are, who are making this apparent hypocrisy. It is ordinary Americans and ordinary people in Europe. They're not organized; there is not some conspiracy. This has emerged.

We're not making our case. One reason is this government doesn't understand — Mr. Harper, in particular; I'm willing to give him credit for it — that you can't just bully your way and with your hubris expect that markets are just going to open up for you. The forestry industry learned that and it's very clear.

The hypocrisy may or may not be real, but we have to deal with it. We can't just yell at them and call them that and expect that they will respond positively to our product; surely not.

**The Hon. the Speaker pro tempore:** Senator Mitchell's time has expired.

(On motion of Senator Maltais, debate adjourned.)

• (1830)

## PROPOSED QUEBEC CHARTER OF VALUES

### INQUIRY—DEBATE ADJOURNED

**Hon. Mobina S. B. Jaffer** rose pursuant to notice of October 28, 2013:

That she will call the attention of the Senate to the negative effects of the Quebec Charter of Values on Canadians.

She said: Honourable senators, today I rise to draw your attention to the Quebec secular charter and the effect it will have on Canadians.

The Quebec Charter of Values has been given a very long name and, in the interest of brevity, I will only name it once. It is called the "Charter affirming the values of State secularism and religious neutrality and of equality between women and men, and providing a framework for accommodation requests." From now onwards, I will call it the PQ plan.

When this plan was first revealed, I was very sad. Then I became very angry and now, with your help, I want us to stop the PQ plan from becoming a reality in Quebec.

For my entire career, I've been working to fight against discrimination. I've been working to enhance the rights of minorities, and I have stood up for the values of Quebec.

Honourable senators, you know that I work hard to make our country truly bilingual and to have the francophone culture as part of our culture in the rest of Canada. My family and I have benefited greatly by the generosity of the people of Quebec. For my grandson Ayaan and me, some of our best memories were when we were in Quebec City. We were truly made to feel part of that beautiful city.

In one fell swoop, this PQ plan will reverse decades of work that countless others and I have done.

[Translation]

I will start with a story. On June 10, the Quebec Soccer Federation imposed a ban on turbans and similar headwear on soccer fields.

The ban prevented children who wear turbans from playing soccer with their teammates. The separatist Quebec government did not denounce this ban as discriminatory. Instead, it defended the ban.

A team of 13-year-old soccer players in Brossard saw this ban as an opportunity to stand up for the rights of other players. No one on the team was Sikh or wore religious headwear.

Their coach, Ihab Leheta, asked the members of his team to tell him what was more important than the game. One player answered "school," another player said "family," and a third player said "injustice." Their coach replied that he could either say that it was not his problem or take action.

At their next game, all of the children on this team wore orange scarves, which they had borrowed from the local Sikh temple, as a sign of solidarity. They risked losing the game by default. They were willing to give up their chance to play in order to fight injustice.

They argued with the referee and the coach of the opposing team for this right, because, regardless of the opinion of those in power, they knew it was the right thing to do.

These children, like Martin Luther King Jr., understood that "injustice anywhere is a threat to justice everywhere." Today, someone else was a victim of discrimination, but tomorrow it could be them.

[ Senator Jaffer ]

[English]

Honourable senators, today it is the minorities in Quebec. This PQ plan is targeting minorities by preventing them the opportunity of gaining state jobs if they wear any conspicuous symbols of their faith. This includes turbans, head scarves, kippahs and large crosses. Small, inconspicuous symbols are acceptable, but unfortunately, there is no such thing as a small turban or a small hijab or a small kippah that is not visible.

According to a report by the Quebec Human Rights Commission:

... individuals who belong to these [minority] groups already face significant obstacles in the job market, the proposed measures will, in all likelihood, have a negative impact on the effective implementation of equal access to employment for such individuals.

The ban on religious symbols is clearly rated against certain visible minorities.

In a statement made in October, I spoke about what it means for a Sikh to wear a turban. I told you that for a practising Sikh, wearing a turban is not only a matter of religious freedom but also a religious obligation. It is an intrinsic part of his identity. It is an essential component of his ethos. Since making that statement, for the first time in the 40 years that I lived in Canada, I began receiving phone calls telling me to go back to my country.

Honourable senators, I am a proud Canadian. I have been working for Canadians my entire career. Yet, in the minds of some people, I am an immigrant and thus not entitled to be treated equally. If they do not like what I say, they ask me to go back from where I came from. To them, I'm not truly a Canadian, but I know you know and I know that I'm a proud Canadian.

Hearing those words on the phone made me sick to my stomach. It reminded me of the feeling I had when Idi Amin, the dictator in Uganda, said something similar when my family and I became refugees in Uganda, because we were Ugandans of Indian origin.

[Translation]

I thought that in coming to Canada, the land of equality, justice and respect, I had left behind me that profound sense of exclusion that comes from those we consider our own, that feeling that begins in our throats and reaches deep down to our hearts.

We have all heard of the disgraceful cases of discrimination that have occurred across the country since the creation of the Quebec Charter of Values. A mosque in Saguenay was splashed with pig's blood.

In a shopping centre in Quebec City, a woman was told to change her religion and remove her veil because the government would force her to remove it anyway. Her 18-year-old son was spat upon.

On a Montreal bus, a woman wearing the hijab was insulted by a man who told her that “with Marois, we’ll take that thing right off your head.” A Muslim was verbally abused on an Ottawa bus. There has been a 300 per cent increase in reported attacks against Muslims. The list goes on.

Honourable senators, these are the consequences of the Quebec Charter of Values. It turns discrimination against minorities into an acceptable practice to the state, thereby legitimizing it in the public sphere. However, those who promote such divisions between Canadians do not realize that our country is strong because of its diversity, not in spite of it.

Minority communities promote a culture of inclusion in our country. They deepen our ties with other countries around the world. They contribute new perspectives and new ways of solving problems. They foster more trade.

[English]

People from diverse backgrounds work on more social issues. They help us better understand the problems facing the developing world, allowing us to do more. They give us the opportunity to learn new languages, new music, new dress, new food, new practices and new ideas. Metropolis British Columbia, a research group specializing in immigration and integration, states:

... minorities are often viewed as bringing with them advantages associated with specialized skill sets and contacts which can result in increased productivity.

According to the Conference Board of Canada, as Canada’s population continues to age and as more and more of the populous baby boomers retire, the relative significance of immigrants and of visible minorities to labour-force growth and our economic well-being is expected to continue to expand.

• (1840)

They also noted that over the 1992 to 2001 period, employment of visible minorities grew on average 4.7 per cent per year versus 1.25 per cent for total employment.

If time permitted, I could go on to state more economic benefits that increased diversity brings to this country, but I will have to save that for another day. Suffice it to say that increasing diversity is essential for Canada to prosper.

Canada does its utmost to ensure that Canadians, no matter what their background, are treated fairly and given opportunity. It is a proud tradition that we hold, and it serves a practical purpose of uniting this large and diverse country.

Upholding this tradition prevents majority populations from curtailing the rights of minority populations from participating wholly in society.

For example, the majority anglophone population cannot prevent minority francophones from attaining state jobs in the rest of Canada. If we do not uphold this tradition, we risk

producing a scenario where francophones may feel ostracized and judged for their culture in the rest of Canada. francophones may be unable to gain access to service in the French language in the rest of Canada. Francophones may have little representation in the unions that protect workers’ rights in the rest of Canada. Francophones may feel as if they have no value in this country, as if their contributions and sacrifices were not recognized and cherished in the rest of Canada.

It would be a total tyranny of the majority upon the minority in the rest of Canada. That circumstance we can never accept. I know that all of us will fight hard for Canadians to have the same rights across the country, because in Canada, all people are considered equal. We celebrate our differences. We accommodate those differences because we realize that they are inseparable from the individual.

We recognize individuals are as much entitled to their religious symbols as they are to speaking French. This is the country where hockey games are broadcast in English, French, Punjabi and Arabic. The unity of Canada is born from our diversity.

Quebec shares these proud Canadian values as well — the values of equality, fairness and respect. We should not forget that Quebec has a history of standing up for its minorities.

In 1986, the Government of Quebec published the Declaration on Intercultural and Interracial Relations. This declaration condemns racism and racial discrimination and commits the government to encourage the full participation of every person in the economic, social and cultural development of Quebec, regardless of colour, religion or ethnic or national origin.

In 1990, in Quebec, they published a white paper entitled *Let’s Build Quebec Together: Vision: A Policy Statement on Immigration and Integration*.

Three principles were reinforced in the government’s policy: Quebec is a French-speaking society; Quebec is a democratic society in which everyone is expected to contribute to public life; and Quebec is a pluralistic society that respects the diversity of various cultures.

In 2008, the Government of Quebec published *Diversity: An Added Value: Government policy to promote participation of all in Québec’s development*. This policy set out three policy directions: recognize and combat prejudice and discrimination, tackle all forms of discrimination and ensure better representation of under-represented groups in public and private institutions and businesses, and ensure coherence and complementarity of efforts to combat prejudice and discrimination.

Those are the values of Quebec, of forming its unique French-speaking identity while recognizing and promoting the identity and rights of all minorities in Quebec.

Honourable senators, the Quebec separatist government is trying to alter the true values of the people of Quebec because they think that will help them win an election. They are exercising the politics of division.

Unfortunately, the separatist government made a grave miscalculation. They failed to calculate that the people of Quebec are a compassionate, reasonable, fair-minded people. The people of Quebec respect and value all of their fellow citizens, regardless of what symbols they choose to wear.

Honourable senators, we too must act. It is not enough for us to simply bring this up as a topic of discussion. We must work to ensure that those who wish to divide us do not trample upon the rights of Canadians. We must work to ensure that Canadians are not forced out of jobs because of their religious convictions. We must work to ensure that the proud Canadian values of respect for our differences and justice for all are upheld.

Honourable senators, when I was young, my mother wanted me to be a pianist and my father a politician. You can see who won. When I practised the piano, to annoy my mother sometimes I played only on the white keys and sometimes only on the black keys. The sound had no harmony, and it was very difficult for my mother to tolerate. She would shout from the kitchen that to have real harmony you must play on both the black and the white keys. You cannot have harmony if you play only on the white keys or play only on the black keys.

Now I understand what my dear mother was trying to tell me.

Last weekend, I attended an event organized by the Kohinoor Folk Art in Surrey and saw the most beautiful Bhangra dancing performed by young Sikh children.

Suddenly, in the middle of the event, without any prompting and on their own volition, these children started singing “Jingle Bells” using instruments from the subcontinent. It brought tears to my eyes. I suggest you go to my website; it’s a sight to see these young turban Sikh children playing “Jingle Bells” with Indian instruments. That is what Canada is all about.

This is what harmony and integration means when a young urban Sikh boy feels so much a part of our great country that in a formal event they remember that this is Christmas time, and they want to sing Christmas jingles as well. They truly are our Canadian children.

Today, I’m rising to tell you that I will work very hard to prevent the Quebec separatist government from stripping the rights of minorities simply because of their faith. Will you?

**The Hon. the Speaker *pro tempore*:** Senator Hervieux-Payette.

[Translation]

**Hon. Céline Hervieux-Payette:** I would like to ask my colleague whether she is planning to appear before the committee of the Quebec National Assembly to share her concerns.

[English]

**Senator Jaffer:** I will try. I certainly have spoken to my very good friend Madame Houde-Pépin in Montreal, and we have agreed to disagree on this issue. We’ll continue to be friends, and

[ Senator Jaffer ]

I’ll keep working to try and convince her that whether she agrees or not that a woman has a right to wear a hijab, I believe in this great country that I have a choice, as a Muslim woman, not to wear the hijab. That is my choice and I do it proudly; and no man and no state will tell me that I will wear a hijab. That’s my choice.

In the same way, if there is another Muslim woman who wants to wear the hijab, it is not for me or the state to tell her she cannot wear a hijab. That is what the beauty of our country is all about.

(On motion of Senator Cordy, debate adjourned.)

## DISPARITIES IN FIRST NATIONS EDUCATION

### INQUIRY—DEBATE ADJOURNED

**Hon. Lillian Eva Dyck** rose pursuant to notice of November 26, 2013:

That she will call the attention of the Senate to the disparities in educational attainments of First Nations people, inequitable funding of on-reserve schools and insufficient funding for postsecondary education.

She said: Honourable senators, I will begin my speech on my inquiry into the inequitable funding and gaps in First Nation education levels by providing some context to the current situation.

How did we arrive at this critical juncture when just today Minister Valcourt is promising new funding for band-operated schools if the chiefs agree to the provisions in the proposed First Nations education act; when today on the Hill and just last week, First Nations held protests over the proposed First Nations education act; when just two weeks ago, National Chief Atleo rejected the proposed First Nations education act as inadequate and unacceptable, stipulating, amongst other things, that there must be a guarantee of adequate funding; and when the AFN’s Special Chiefs Assembly will be discussing First Nations education tomorrow across the river in Gatineau?

• (1850)

First, there have been strong objections from the Assembly of First Nations, regional First Nation organizations and the National Aboriginal Youth Council to the draft First Nations education act because of the lack of real consultation and because of the notable absence of any funding to close the funding gap between on-reserve band-operated schools and provincial schools. The list of those First Nations who object include the Federation of Saskatchewan Indian Nations, the Assembly of Manitoba Chiefs, the Chiefs of Ontario, the Association of Iroquois and Allied Indians, the Nishnawbe Aski Nation, the Union of British Columbia Indian Chiefs, the London District Chiefs Council, the Mohawk Council of Kahnawake, the Prince Albert Grand Council and the Assembly of the First Nations of Quebec and Labrador, to name a few.

Second, there have been numerous reports, including one from the Standing Senate Committee on Aboriginal Peoples, recommending major policy changes and increased funding for

First Nations K to 12 education. Even Aboriginal Affairs itself has completed two in-depth studies in the last two years in which they conclude that underfunding of First Nations elementary and secondary education is a critical issue that must be remedied.

This is why the minister's position not to include provisions in the proposed First Nations education act to provide equitable funding for K to 12 education is incomprehensible. His position on funding makes no sense based on the overwhelming evidence of underfunding.

Furthermore, as I will explain later, the financial payoffs for investing in First Nations education are substantial for the individual, the band and Canada as a whole. The issues that I will discuss today will be: underfunding; the low rate of high school graduation rates for First Nations students; the economic benefits of closing that gap; recommendations to enhance funding for First Nations K to 12 education; and suggestions on how to break free from the current impasse by collective, non-partisan action of all of us together in this chamber as an independent chamber of Parliament.

With respect to underfunding of K to 12 First Nations education, there are numerous reports on First Nations education and the underfunding of band-operated schools compared to their provincial counterparts. First of all, I'll talk about our Senate report tabled in December 2011 — two years ago. We, the Senate, adopted our Standing Senate Committee on Aboriginal Peoples' report on reforming First Nations education in the K to 12 school system.

I will focus on our recommendation that a comprehensive formula be included in a First Nations education act that would eliminate the funding inequities between band-operated schools and provincial schools. This comprehensive formula would be similar to that enjoyed by provincial schools and would enable individual First Nations to apply for federal funding for such things as computer labs, libraries, First Nations language instruction and First Nations content.

In other words, we recommended a new, modernized method of funding that would enable band-operated schools to achieve an educational system that is equivalent to comparable schools located off reserve. We specified that the funding methodology should be developed in close consultation with First Nations so that the formula would be tailored to their specific needs.

Let me quote from our report:

Based on the evidence placed before us, we believe that a new funding formula, negotiated by the parties and based on real cost drivers, must be developed to replace the current system of contribution agreements.

In addition to our Senate report, there is a wealth of other reports demonstrating that K to 12 education on reserve is underfunded compared to provincial schools. Despite this, the previous Minister of Aboriginal Affairs steadfastly claimed that on-reserve K to 12 students are funded at levels comparable to provincial students. Minister Valcourt has inherited this fairy tale

and has yet to refute it, even though it contradicts what his own department states in their recent reports from June 2011 and June 2012. They stated:

It was noted repeatedly that the two percent cap on First Nations spending means that while costs inflate, resources do not keep pace with needs relative to non-First Nations schools.

In other words, honourable senators, the department knows full well that band-operated schools are underfunded because of the 2 per cent cap.

Honourable senators, it's crystal clear that a key factor in the genesis of the funding gap for First Nations education was the imposition in 1996 of a 2 per cent cap on the annual funding increases to First Nations education. Other federal departments have had that cap lifted and topped up to compensate for lost funding. However, Aboriginal Affairs still has a 2 per cent cap on First Nations funding.

In other words, although federal funding for provincial education has had the 2 per cent cap removed and topped up, funding for band-operated schools is still capped. Consequently, funding for First Nations education on reserve has been less than provincial levels for 17 years — since 1996.

To make matters even worse, First Nations population is increasing in numbers more so than other Canadians. From 1996 to 2006, First Nations population increased by 45 per cent, while the increase was 8.4 per cent for other Canadians. First Nations population has dramatically increased, and about 50 per cent are under the age of 25.

This situation is like a triple whammy with respect to First Nations K to 12 education funding. First, there's a 2 per cent cap. Second, there's been no equalization compensation. Third, bands are faced with increasing numbers of school-aged children.

In January 2012, the report of the joint Government of Canada and AFN national panel on K to 12 First Nations education also noticed the gap in funding. Here's a quote:

... it is clear that new funding will be required. A new funding formula that is needs-based and ensures stable, predictable and sustainable funding that is sufficient to produce desired outcomes will be required.

In March 2013, the results of a joint study conducted by the Government of Saskatchewan and the Federation of Saskatchewan Indian Nations was released. Their report stated:

It is clear from the numbers that First Nation schools are funded at a significantly lower level in: basic instruction, special education, operation and maintenance and student resources.

They had access to the actual funding dollars for several provincial schools and several on-reserve schools and thus were able to do a direct comparison. The worst example was that

band-operated schools received \$41 per student for instructional resources, while provincial schools received \$689 per student. As the report states:

There is little doubt that First Nation schools continue to be under-funded in comparison to their provincial counterparts.

In trying to comprehend the government's reluctance to commit additional dollars to First Nations education, I conjectured that perhaps the rapid growth of First Nations population might lead to a large increase in the number of First Nations youth who are school-aged and would require a massive increase in educational funding. However, this is not the case. In the department's own estimates from June 2012, the number of First Nations persons 18 and under nationwide now is about 175,000 and is projected to be about 200,000 in 2026. This does not seem to me to be a huge increase, which would result in huge funding commitments.

• (1900)

Even if large sums of money were required to equalize the funding of First Nation education, the federal government has a constitutional obligation to honour the treaty right to education and a statutory obligation under the Indian Act. The longer we delay, the more it will cost.

Honourable senators, it is incomprehensible as to why and reprehensible that First Nation education continues to be underfunded. It is clear that, compared to provincial K to 12 schools, band-operated schools are underfunded. In the next few minutes, I will review the evidence that First Nation students are continuing to fall behind other Canadians with respect to high school graduation rates. Closing the education gap is not just a moral issue; it is becoming increasingly clear that there are considerable economic payoffs for investing in closing the gap and improving the education of Aboriginals.

Honourable senators, it could be argued that inadequate funding has contributed to the poor educational attainment of First Nation students. Certainly, the existence of educational gaps strengthens the argument that funding disparities between on-reserve and provincial schools must be remedied.

Honourable senators, one of the first areas that I researched as a senator was a comparison of the levels of education in the Aboriginal population to those of other Canadians. Using the 2006 Statistics Canada data, I calculated the percentage of these populations with various levels of education for Canada as a whole and for Saskatchewan in particular.

For example, 34 per cent of Aboriginals in the age group 25 to 64 did not have a high school diploma. This is twice the rate for other Canadians, where 15 per cent of Canadians aged 25 to 64 did not have a high school diploma. This difference is even more pronounced in Saskatchewan, where 49 per cent of Aboriginals of that age group did not have a high school diploma, compared to just 19 per cent of other Saskatchewaners.

Over the last two years, there have been many such statistical studies, all substantiating the smaller percentage of First Nations students who graduate from high school and who obtain degrees. It should be noted, however, that Aboriginals graduate from trade schools at about the same rate as other Canadians.

Data from the department itself, presented in their June 2011 report, clearly showed that on-reserve Aboriginals not only had the lowest levels of educational attainment, but that there was also little or no improvement over the 10-year time period that they looked at. By contrast, the educational attainment of off-reserve Aboriginals who attend provincial schools increased over time. That clearly shows that the provincial system, which is funded at a higher rate, is delivering a better product and that the students are graduating.

In March 2013, the joint Government of Saskatchewan-FSIN report documented a wide variation in the graduation rates of First Nations students in band-operated schools, ranging from a low of only 15 per cent in Ontario to a high of 44 per cent in Saskatchewan. In some regions, most First Nation students attend band-operated schools, but, in others, most First Nation students attend provincial schools.

**The Hon. the Speaker *pro tempore*:** Senator Dyck, do you need more time?

Is it your pleasure, honourable senators, to grant five more minutes?

**Hon. Senators:** Agreed.

**Senator Dyck:** I will have to read fast.

For example, in Manitoba and Saskatchewan, the regions with the most First Nation K to 12 students, most students attend band-operated schools. By contrast, in British Columbia and Quebec, most First Nation students attend provincial schools. These regional differences are important because they show that the funding available to bands should take into account where the student goes to school and because the additional dollars that bands have to pay to provinces are clawed back from their funding from the Aboriginal Affairs Department.

Many cost-benefit analyses have looked at the projected economic benefits of closing the educational gap between Aboriginals and Canadians. According to a 2010 report of the Centre for the Study of Living Standards, increasing the number of Aboriginal Canadians who complete high school is a low-hanging fruit with far-reaching and considerable economic and social benefits for Canadians.

We stated similar things in our Senate report, tabled here in December 2011. The joint national panel also made similar statements and, according to the Centre for the Study of Living Standards, the actual gain in projected monetary outcomes of closing the gap by 2026 are enormous — a \$36.5-billion increase in GDP in 2026 and a cumulative gain in GDP of \$401 billion in that time period, enormous gains.

[ Senator Dyck ]

Honourable senators, as noted in our own Senate report, it is clear that investing in closing the educational gap will pay off substantially in the long run, so now is the time to equalize the funding. This has been recommended in the major report that I just mentioned.

Despite all these recommendations, and despite repeated calls from numerous groups to remedy the funding gap, the blueprint for the proposed First Nation Education Act does not include provisions to modernize, stabilize, revolutionize or equalize funding for First Nation K to 12 education. The shared goal of educational parity with provincial systems cannot be achieved without proper funding. Today, *The Globe and Mail* reported that:

The Conservative government is promising new funding for schools on reserves, as it struggles to overcome native resistance to a proposed First Nations education act.

At the same time, the government is warning that it will abandon the First Nation education act unless chiefs come on side and support it, but the minister didn't give any specifics as to what the new money would be. Honourable senators, this sounds like the minister is using the promise of new funding as either a bribe or a threat, depending on your perspective. This so-called new funding promised by Minister Valcourt is not really new. This is overdue money owed to First Nations.

Our Senate report made it clear that federal funding for First Nations is insufficient and must be modernized. It was adopted unanimously by the committee and by the Senate as a whole, but the minister resists including the recommendations in our report. The minister is quoted as saying:

...the proposal has been hijacked —

— that means his proposed First Nation education act —

... in some areas for political reasons, mostly on the issue of funding...

Really, I am trying to be polite, but how can the minister say this with a straight face, when messaging and directions from government headquarters not to invest in Aboriginal education have essentially hijacked our Senate report on the First Nations education?

In the documents that the RCMP seized during their investigation of Senator Duffy, there was a memo complaining about non-compliance of the Senate. The March 22 memo reads:

What we see is a laissez-faire system that requires constant direction, supervision, and follow-up from [the PMO] to ensure that Government messaging and direction are followed. This problem is not limited to expense and residency issues. There are Senate committee reports that call on the government to lower airport rents, create a national pharmacare plan, invest heavily in Aboriginal education...

In other words, three of our Senate committees were out of line in making recommendations not sanctioned by government headquarters. This is not right.

Honourable senators, we, as individual senators, have an opportunity to assert our independence as a chamber of sober second thought and wisdom by reaffirming our support for our report on First Nation education. We all know that some of the best strengths of the Senate are the committee work that we do and our committee reports. Please, let's continue to stand together to support the recommendations made in our report on K to 12 First Nation education and adopted by us two years ago.

• (1910)

Honourable senators on the other side, please don't falter in your support for our Senate report because of pressure to fall in line with government messaging. The evidence is overwhelmingly clear: Kids on reserve are not getting an education comparable to provincial schools and underfunding is one of the main root causes.

The Honourable Gerry St. Germain was chair of the Aboriginal Peoples Committee when we undertook the First Nation education study. Here are his words in a foreword to the report:

This report makes two key recommendations that we believe are crucial to achieving structural reform and moving First Nations education from a situation of crisis to one of hope. Education is the vehicle that lifts us all up. Our first recommendation, which calls for a First Nations Education Act is intended to design a new and better vehicle. The second recommendation...

— dealing with funding —

... puts the necessary fuel in the vehicle, to get us where we need to go.

We can have a great vehicle, but if we don't have the fuel, the kids are not going to graduate.

He continues:

The cost — in lost opportunities — of not meeting this challenge is unacceptably high, both for First Nations and for Canada. This is a Canadian issue, not an Aboriginal issue, and we must all shoulder our responsibility as Canadians.

Honourable senators, I agree with Honourable Gerry St. Germain and I would add: Together senators must act decisively and boldly. Let us heed Gerry St. Germain's wise words and urge Minister Valcourt to include our Senate recommendations on funding as an integral part of the new First Nations education act. A vague, undefined promise is not good enough.

(On motion of Senator Patterson, debate adjourned.)

(The Senate adjourned until Wednesday, December 11, 2013, at 1:30 p.m.)

## CONTENTS

Tuesday, December 10, 2013

	PAGE		PAGE
<b>The Late Nelson Mandela</b> Silent Tribute. The Hon. the Speaker. . . . .		<b>Providing Care to Those Living with Dementia</b> Notice of Inquiry. Hon. A. Raynell Andreychuk . . . . .	
	677		681
<hr/>			
<b>SENATORS' STATEMENTS</b>		<b>QUESTION PERIOD</b>	
<b>Housing</b> Hon. Claudette Tardif . . . . .		<b>Veterans Affairs</b> Closure of Offices—Provision of Caseworkers. Hon. Jane Cordy . . . . . Hon. Claude Carignan . . . . . Hon. Wilfred P. Moore. . . . .	
	677		681 681 682
<b>Christmas Wishes</b> Hon. Nicole Eaton . . . . .		<b>Foreign Affairs</b> National Action Plan on Women, Peace and Security. Hon. Mobina S. B. Jaffer . . . . . Hon. Claude Carignan . . . . .	
	677		682 682
<b>UNESCO Youth Forum on Social Inclusion</b> Hon. Joseph A. Day. . . . .		<b>Canadian Heritage</b> CBC/Radio-Canada—Investment in Capital Infrastructure. Hon. Marie-P. Charette-Poulin . . . . . Hon. Claude Carignan . . . . .	
	678		683 683
<b>Trade Contractors</b> Hon. Donald Neil Plett. . . . .		<b>Finance</b> Disability Tax Credit. Hon. Percy E. Downe. . . . . Hon. Claude Carignan . . . . .	
	678		683 683
<b>Visitors in the Gallery</b> The Hon. the Speaker. . . . .		<b>Foreign Affairs</b> Ambassadors' Residences in Italy and Spain. Hon. Percy E. Downe. . . . . Hon. Claude Carignan . . . . .	
	679		684 684
<b>Prince Edward Island</b> Volunteerism. Hon. Elizabeth Hubley . . . . .		<b>Employment and Social Development</b> Employment of Medically Released Veterans. Hon. Percy E. Downe. . . . . Hon. Claude Carignan . . . . .	
	679		685 685
<b>Visitor in the Gallery</b> The Hon. the Speaker. . . . .		<hr/>	
	679	<b>ORDERS OF THE DAY</b>	
<hr/>		<b>Speaker's Ruling</b> Question of Privilege. The Hon. the Speaker. . . . .	
<b>ROUTINE PROCEEDINGS</b>			
<b>The Senate</b> <i>Companion to the Rules of the Senate of Canada</i> —Second Edition Tabled. . . . .		<b>Business of the Senate</b> Hon. Yonah Martin . . . . .	
	680	687	
<b>The Estimates, 2013-14</b> Supplementary Estimates (B)—Second Report of National Finance Committee Tabled. Hon. Joseph A. Day. . . . .		<b>Economic Action Plan 2013 Bill, No. 2 (Bill C-4)</b> Second Reading. Hon. JoAnne L. Buth. . . . . Hon. Joseph A. Day. . . . . Hon. Pierrette Ringuette. . . . . Hon. Serge Joyal . . . . . Hon. Wilfred P. Moore. . . . . Hon. Hugh Segal . . . . . Referred to Committee . . . . .	
	680	687 690 693 694 695 695 696	
<b>Economic Action Plan 2013 Bill, No. 2 (Bill C-4)</b> Third Report of National Finance Committee on Subject Matter Tabled. Hon. Joseph A. Day. . . . .			
	680		
<b>Study on Issues of Discrimination in Hiring and Promotion Practices of Federal Public Service and Labour Market Outcomes for Minority Groups in Private Sector</b> Second Report of Human Rights Committee Tabled. Hon. Mobina S. B. Jaffer . . . . .			
	680		
<b>National Finance</b> Committee Authorized to Meet During Sitting of the Senate. Hon. Yonah Martin . . . . .			
	680		



	PAGE
<b>Museums Act (Bill C-7)</b>	
Bill to Amend—Third Reading—Debate Adjourned.	
Hon. Nicole Eaton . . . . .	696
Hon. Pierrette Ringuette . . . . .	698
Hon. Art Eggleton . . . . .	698
Hon. Roméo Antonius Dallaire . . . . .	699
Hon. Hugh Segal . . . . .	700
<b>First Nations Elections Bill (Bill C-9)</b>	
First Reading . . . . .	701
<b>Speech from the Throne</b>	
Motion for Address in Reply—Debate Continued.	
Hon. James S. Cowan . . . . .	701

	PAGE
<b>Canada Periodical Fund</b>	
Inquiry—Debate Continued.	
Hon. Claudette Tardif . . . . .	710
Hon. Ghislain Maltais . . . . .	711
Hon. Joan Fraser . . . . .	712
<b>Forestry Industry</b>	
Inquiry—Debate Adjourned.	
Hon. Grant Mitchell . . . . .	712
Hon. Nicole Eaton . . . . .	715
<b>Proposed Quebec Charter of Values</b>	
Inquiry—Debate Adjourned.	
Hon. Mobina S. B. Jaffer . . . . .	715
Hon. Céline Hervieux-Payette . . . . .	718
<b>Disparities in First Nations Education</b>	
Inquiry—Debate Adjourned.	
Hon. Lillian Eva Dyck . . . . .	718

---

**Published by the Senate**

**Available on the Internet: <http://www.parl.gc.ca>**