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(HANSARD)

Wednesday, April 18, 2007

THE HONOURABLE NOËL A. KINSELLA
SPEAKER

CONTENTS

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THE SENATE

Wednesday, April 18, 2007

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

Prayers.

SENATORS' STATEMENTS

ANNUAL CANADIAN CONFERENCE ON WAIT TIMES

Hon. Wilbert J. Keon: Honourable senators, on April 4 and 5, I attended the annual Canadian conference on wait times called the Taming of the Queue. This fourth annual conference was indeed an interesting exercise. In addition to learning of the pan-Canadian experience, we were brought up-to-date with the experience in the national health services in the U.K., Sweden, Australia and New Zealand.

I was impressed that the discussion of the meeting had changed from the previous three meetings. Previously, there was considerable discussion whether, in fact, we could establish and control appropriate wait times for medical treatment. This time, the atmosphere was "how to." How can progressive countries learn from each other and how can each province and territory within Canada learn from the other provinces and territories?

• (1335)

The meeting was addressed at lunch by the Prime Minister who acknowledged the work of the Standing Senate Committee on Social Affairs, Science and Technology chaired by Senator Kirby and deputy chair, Senator LeBreton, who recommended the establishment of care guarantees in Canada.

The Prime Minister announced the federal government now has buy-in from all provinces, and Minister Clement has been able to achieve a working process with each of them.

The most gratifying thing about the meeting was the fact that tremendous progress has been made for wait-time guarantees, especially since the federal government has committed to them. Several provinces are already meeting or surpassing the benchmarks for wait times in cancer and cardiac care. Enormous progress has been made in cataract surgery and orthopaedic procedures. The conference will be held again next year, led by the Canadian Medical Association with the other nine associations who sponsor it, and we look forward to more gratifying progress.

NATIONAL VOLUNTEER WEEK

Hon. Catherine S. Callbeck: Honourable senators, April 15 to 21 marks National Volunteer Week in Canada. This event is an annual celebration of the enthusiasm and commitment of Canadian volunteers. National Volunteer Week began in 1943 as a way to honour the contributions of women during the Second World War. Over the years, the nature of the celebration has grown, but its original vision of recognizing those who selflessly give their time and services to help others has been maintained.

This year's theme is "Volunteers Grow Community," and this theme is absolutely true. Volunteers play an essential role in our communities. They enrich our lives and ensure the delivery of a large number of programs and services. In fact, approximately 12 million Canadians volunteer their time and energy in one way or another. These dedicated people across the country contribute 2 billion volunteer hours every year.

Today, I want to recognize and honour a special group of volunteers from my home province. Two weeks ago, Prince Edward Island presented its Fourth Annual Volunteer Recognition Awards to eight dedicated Islanders. Individual awards were given to Garnet Buell of Murray River, Rikki Schock of South Pinette, Almeda Thibodeau of Fortune Cove, and Gladys Dirani, Judy MacLean and Ken Roper, all of Charlottetown. A joint award was also presented to Tonya Gray and Shelley Morrison both from Charlottetown.

These Islanders have given much of themselves to their communities and to their province. I would like to offer my warmest congratulations and thanks to these Islanders.

I also want to thank all other volunteers across the country for their commitment, generosity of spirit and tremendous hard work. Every individual volunteer makes a difference in the lives of others. We all benefit from their contributions.

Honourable senators, please join with me today to recognize and celebrate Canada's volunteers for their hard work and dedication to their communities and to their country by sharing their time, talents and enthusiasm. They truly grow our Canadian communities.

THE LATE RONALD J. HANSON

Hon. Wilfred P. Moore: Honourable senators, on Friday March 23, 2007, the city of Halifax lost one of her most respected and devoted sons, Ronald J. Hanson. Affectionately known as "Butch," he worked for Maritime Tel & Tel for 33 years before retiring in 1990. He was elected alderman for Ward 8 in 1974 and he continued to serve his constituents and city unselfishly until 1999 when he resigned due to illness.

During those 25 years, he also served as deputy mayor and acting mayor of his hometown. A gifted athlete, especially in hockey and baseball, he also gave of his time and personal treasure in coaching minor hockey teams. Perhaps his most cherished task while on city council was his service as one of only two aldermen who sat as founding directors of Halifax Metro Centre. As a lifelong sportsman, he understood the need and value of such a facility. As a forward-thinking councillor, he saw the economic benefit that such a facility would bring to his city.

Ron Hanson was a man of faith, with strong family values and a deep sense of giving back to his community. He and his wife, Sandra, were a real team. We extend to Sandra and their children, Pam, Krista, Ron, Scott and Shawn, our sincere sympathy and we thank them for sharing Butch with us. Ronald Hanson was a lifelong pal of mine, and he will be missed by a host of friends.

• (1340)

THE HONOURABLE DR. WILBERT J. KEON, O.C.

CONGRATULATIONS ON INDUCTION INTO CANADIAN MEDICAL HALL OF FAME

Hon. David Tkachuk: Honourable senators, I rise today to celebrate one of our own. On March 1, 2007, the Canadian Medical Hall of Fame announced five new inductees, one being our colleague, Dr. Wilbert J. Keon. It is worth noting in full what the Canadian Medical Hall of Fame had to say about Senator Keon in its announcement. I quote the CMHF press release:

> As a charismatic leader, surgeon, educator, investigator and more recently a Senator, Dr. Keon is known both nationally and internationally for his work in cardiology and cardiac surgery. Clearly a builder, Dr. Keon turned a unique and obscure dream into a magnificent reality by founding the University of Ottawa's Heart Institute. From the beginning under his leadership, this highly-specialized cardiac institution has dedicated 50 per cent of its space to research and discovery contributing to modern prevention and treatment of coronary artery disease. In addition to numerous awards, Dr. Keon is an Officer of the Order of Canada (1984).

That just about says it all, but I should like to add that few professionals are more revered in our society than the medical doctor and, among them, none more respected than the heart surgeon. Even in this august company, Senator Keon has long been considered one of the world's most pre-eminent medical practitioners. Senator Keon's quiet and unassuming manner belies a man of rare and, indeed, awe-inspiring accomplishments. It is no wonder that his words on health issues in Canada are so highly respected. I would ask honourable senators to join me in congratulating Dr. Keon.

Hon. Senators: Hear, hear!

SASKATCHEWAN

UNIVERSITY OF SASKATCHEWAN—INDIGENOUS PEOPLES RESOURCE MANAGEMENT PROGRAM

Hon. Lillian Eva Dyck: Honourable senators, on March 28, 2007, Convocation Hall at the University of Saskatchewan was the scene of a graduation ceremony for 23 students of the new Indigenous Peoples Resource Management Program. This program was designed and delivered by the College of Agriculture and Bioresources in consultation with the National Aboriginal Land Managers Association and with funding provided by Indian Affairs and Northern Development Canada.

In his address at the graduation ceremony, the President of the University of Saskatchewan, Peter MacKinnon, recognized that these students were the first graduates of the Indigenous Peoples Resource Management Program and that they were also the first graduates of the University of Saskatchewan in its centennial year. He also noted that the Indigenous Peoples Resource Management Program is the first of its kind.

Ms. Marilyn Poitras, Director of the Indigenous Peoples Resource Management Program, says that the program drew students from across Canada with seven of 10 provinces represented in this first student cohort. This year marked a clear beginning for the University of Saskatchewan as a leader internationally in recognizing this profession through academic programming.

• (1345)

The program provides land managers with university-level training to examine basic environmental, legal and economic aspects of land and resource management.

The students who graduated from the program came from diverse backgrounds. They represented First Nations from across Canada, and their experience ranged from individuals beginning their careers in land management to those with 30 years of experience. The program was a special challenge for the students because it required that they manage their full-time studies and family responsibilities along with the academic demands of their studies.

The Indigenous Peoples Resource Management Program was structured on an executive training model. To complete the program requirements, the students came to the University of Saskatchewan campus three separate times over a period of eight months. Each trip to the campus involved two weeks of intensive lecture, laboratory and field-based learning. When they returned home each time, they had eight weeks of follow-up assignments.

The successful students received a certificate of proficiency upon completion of the six required classes. An exciting development will occur next year when a partnership with the University of Laval will allow the program to be offered in French.

The Indigenous Peoples Resource Management Program has recognized a profession within First Nations that is as old as human existence and reflects the importance of environmental resource issues for all Canadians.

Honourable senators, let me conclude by saying, let us all congratulate the first graduates of the Indigenous Peoples Resource Management Program and the University of Saskatchewan for being the first to offer such an important certificate program.

CHARTER OF RIGHTS AND FREEDOMS

TWENTY-FIFTH ANNIVERSARY

Hon. Mobina S. B. Jaffer: Honourable senators, yesterday Canadians celebrated the twenty-fifth anniversary of the Canadian Charter of Rights and Freedoms.

The Charter is a treasured document and a source of pride for all Canadians because it is more than words on a piece of paper. It is a living document that has grown over the last 25 years to include groups that might otherwise have fallen through the cracks and to protect our legal and democratic rights and the rights of our minority language communities.

With the help of the Charter, we were able to protect gay and lesbian Canadians from violence and discrimination and win the rights to full spousal benefits in their relationships. Sikh Canadians were able to win their fight to be allowed to serve as

members of the Royal Canadian Mounted Police without having to abandon their religious dress. French language communities were able to fight for their rights, including winning the fight to keep the Montfort Hospital in Ottawa open to serve their community.

However, even as we reflect on what we have accomplished, this anniversary should be important in reminding us of how much more is left to do. We cannot now take the Charter for granted. Canadians and the Canadian government must stay involved so that we can continue to achieve more and keep our existing rights from eroding.

To ensure that the Charter continues to live and grow, the new Canadian government must continue to provide the resources to protect and maintain it. The Court Challenges Program, which provided resources for Canadians to go to court to defend their constitutional rights, was an important part of this protection until it was cancelled under the new Canadian government.

I urge the new Canadian government to listen to Canadians who want to continue to become an integral part of our community, to help the Canadian Charter of Rights and Freedoms and to restore these programs immediately. Only in this way can we assure that our rights continue to grow and evolve and that our Charter continues to be more than words on a piece of paper.

Honourable senators, the Charter is a document of hope for all Canadians. After 9/11, Canadians knew that the government and the authorities could not breach their rights. The Charter is not a document of the past to be placed in the archives. It is a beacon of hope for all Canadians to protect their future rights.

• (1350)

ROUTINE PROCEEDINGS

RULES, PROCEDURES AND THE RIGHTS OF PARLIAMENT

FOURTH REPORT OF COMMITTEE PRESENTED

Hon. Consiglio Di Nino, Chair of the Standing Committee on Rules, Procedures and the Rights of Parliament, presented the following report:

Wednesday, April 18, 2007

The Standing Committee on Rules, Procedures and the Rights of Parliament has the honour to present its

FOURTH REPORT

Pursuant to Rule 86(1)(f)(i), your Committee is pleased to report as follows:

1. In a ruling given on October 26, 2006, dealing with the process for raising questions of privilege, the Speaker noted three aspects of the Senate's procedures which could be clarified. First, he considered the level of detail required in the written and oral notices to raise a question of privilege under Rule 43 and concluded that the notice should clearly identify the issues that will be raised as a question of privilege. Second, the Speaker invited your Committee to examine the apparent inconsistency of Rules 43 and 59(10) insofar as the two provisions deal with the notice required for questions of privilege. Third, the Speaker invited your Committee to examine ways in which the rules might more clearly delineate the beginning and end of the Routine of Business, as under Rule 23(1), questions of privilege and points of order cannot be raised during the Routine of Business or during Question Period.

2. On March 20, 2007, your Committee heard from Mr. Charles Robert, Principal Clerk, Chamber and Procedure Office, Senate of Canada.

3. After reviewing the Speaker's ruling, and examining the issue, your Committee believes that the following amendments should be made to the *Rules of the Senate*:

   - With respect to the written notice to be given by a senator wishing to raise a question of privilege, your Committee agrees that the notice should provide some detail so as to give senators an indication of the subject of the general nature of the issue to be raised. Accordingly, amendments are proposed to sections 3, 4, and 7 of Rule 43.

   - Rule 59(10) allows a question of privilege to be raised without notice. As the Speaker explained, this Rule is linked to the pre-1991 provisions of the *Rules of the Senate* and should have been reviewed as a consequence of the amendments that were adopted at that time. The idea behind Rule 59(10) should be maintained to allow matters that occur during a sitting of the Senate to be dealt with. Nevertheless, your Committee believes that it would be helpful to move this provision and link it more directly to the other provisions relating to questions of privilege and to clarify how they relate to one another. Accordingly, a new section to Rule 43 is proposed.

   - The Speaker noted in his ruling of October 2006 that Rule 23(1) prohibits points of order or questions of privilege during either the Routine of Business or Question Period. A careful reading of Rule 23(6), however, indicates that Senators' Statements are, in fact, not part of Routine of Business, as it provides that the Routine of Business is a distinct category of business called after Senators' Statements. The intent behind this Rule is that the regular business of the Senate at the beginning of each sitting, whose time is limited, should not be interrupted. Your Committee agrees that the prohibition on points of order should apply to Senators' Statements as well, and an appropriate amendment to the Rules is proposed.

4. These proposed amendments lead to a number of consequential changes to the *Rules of the Senate*.

Your Committee recommends that the *Rules of the Senate* be amended as follows:

(1) That section (1) of Rule 23 be replaced with the following:

Consideration of questions of privilege and points of order

23. (1) During proceedings of the Senate taking place before Orders of the Day, including Senators' Statements, Routine of Business, Question Period and Delayed Answers, it shall not be in order to raise a point of order. Any point of order in respect to any proceeding shall be raised either at the time the Speaker announces Orders of the Day or, in relation to any notice given during the Routine of Business, when the Order is called for consideration by the Senate.

(2) That sections (3), (4), (7), and (10) of Rule 43 be replaced with the following:

Written notice

(3) Subject to section (3.1) below, a Senator wishing to raise a question of privilege shall, at least three hours before the Senate meets for the transaction of business, give a written notice of such question to the Clerk of the Senate, provided that the written notice shall clearly identify the subject matter that will be raised as a question of privilege.

Exception - Proceedings in Chamber

(3.1) With respect to a question of privilege arising out of proceedings in the Chamber during the course of a sitting, a Senator has the option of either raising it immediately without written notice or giving written notice in accordance with sections (3) and (4).

Notice for Friday

(4) Notwithstanding section (3) above, a Senator wishing to raise a question of privilege on a Friday shall, at not later than 6:00 o'clock p.m. on the immediately preceding Thursday, give a written notice of such question to the Clerk of the Senate clearly identifying the subject matter that will be raised as a question of privilege.

Oral notice

(7) A Senator having given a notice, in accordance with section (3) or (4) above, shall be recognized during the time provided for the consideration of "Senators' Statements", for the purpose of giving oral notice of the question of privilege. In doing so, the Senator shall clearly identify the subject matter that will be raised as a question of privilege and shall indicate that he or she is prepared to move a motion either calling upon the Senate to take action in relation to the matter complained of or referring the matter to the Standing Committee on Rules, Procedures and the Rights of Parliament.

Order of consideration

(10) The order in which the notices were received under sections (3), (3.1) or (4), as the case may be, shall determine the order of consideration of questions of privilege.

(3) That section 10 of Rule 59 be deleted and that current sections 11 to 18 be renumbered as 10 to 17.

Respectfully submitted,

CONSIGLIO DI NINO
Chair

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

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

RAILWAY CONTINUATION BILL, 2007

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-46, to provide for the resumption and continuation of railway operations.

Bill read first time.

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

On motion of Senator Comeau, with leave of the Senate and notwithstanding rule 57(1)(f), bill placed on the Orders of the Day for second reading later this day.

[*Translation*]

QUESTION PERIOD

PUBLIC WORKS AND GOVERNMENT SERVICES

REVIEW OF GOVERNMENT POLLING—
APPOINTMENT OF DANIEL PAILLÉ

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, my question is directed to the Minister of Public Works and Government Services, Mr. Fortier. Last week, the minister announced that he has authorized the use of public funds to go on a witch hunt regarding polling contracts awarded by a previous administration, something that the Auditor General has already looked into and found no problems with.

Moreover, he has mandated Daniel Paillé, a former separatist minister in the PQ government, a government actively seeking to break up our country, to lead this inquiry.

Could the minister tell me why he thinks that a former minister of a government intent on destroying Canada is qualified to conduct this inquiry?

Hon. Michael Fortier (Minister of Public Works and Government Services): For one thing, I should point out that I do not recall announcing a witch hunt; those are his words. What I did announce was our delivering on an election promise made during the 2005-06 election campaign. This promise stemmed from the analysis by the Auditor General in 2003 of samples of public opinion polling contracts awarded by the Government of Canada. I encourage the honourable senator to read her report; she was particularly concerned with some of her findings.

In 2005 and 2006, we stated in a very transparent way that, if elected, we would ask an independent adviser to review the whole matter, going back as far as 1990, and that is exactly what we have done.

• (1355)

Senator Tardif: Does the minister really believe that Daniel Paillé is qualified to conduct this investigation, considering that he proposed a capital investment program for business startups in Quebec that cost taxpayers $408.2 million, in 2002 dollars, and that only one business out of four survived?

Senator Fortier: I know that, for the honourable senator and for some of her colleagues, the fact that Mr. Paillé does not hold a Liberal Party of Canada membership card disqualifies him from any appointment, and automatically so, as my colleague is whispering to me. That is not how we operate. Since taking office, our government has made numerous appointments that are absolutely not partisan appointments, including that of Mr. Paillé. I invite you to take a look at his resumé. He has an impeccable academic and professional profile. I believe that, on our side, a consensus is emerging. We are very pleased to have someone as qualified as Mr. Paillé to assist the government in this important task.

Hon. Dennis Dawson: Honourable senators, my question is for the Minister of Public Works and Government Services. He stressed that Mr. Paillé is an independent fact finder. Is he independent or is he "indépendantiste"? Is this the same Daniel Paillé who, writing in *Le Soleil* even before the 1994 election, warned brokerage firms that his government would only do business with those that would not get involved in the referendum debate?

Does the minister really believe that Mr. Paillé is qualified, or is he just following the old saying that "the enemy of my enemy is my friend," by giving him one million dollars to engage in petty politics and in a witch hunt?

Senator Fortier: First, let us get the facts straight. This is not a witch hunt. If there are any witches to be found, then you know things that we are not aware of. I do not know where the figure of $1 million comes from. During the press conference, I was very specific when I said that the costs of this review would be well under $1 million. The money paid to Mr. Paillé will represent a portion of the total costs involved. Let us not exaggerate here.

Senator Dawson does not accept the fact that Mr. Paillé has the necessary qualifications. He is one of the most prominent professors at the École des hautes Études Commerciales, but because that institution is not in Quebec City, it holds no weight with him.

Mr. Paillé is highly regarded by the business community in Montreal. I invite Senator Dawson to look beyond his little circle in Quebec City and talk to people outside his little circle of federal Liberal friends. He will find out that Mr. Paillé has friends throughout Quebec, and we are very proud that he has agreed to take on this job.

Senator Dawson: I am surprised that, after being recognized by Laval University as one of the most distinguished graduates from the Quebec City area, Senator Fortier can so easily deny his roots there.

That said, is this the same Daniel Paillé who, a few years ago, opposed a day care centre near his home, in a letter that he sent to the municipal government in Montreal on his department's letterhead, and who later had to publicly apologize in the National Assembly for what he had done? If it is political judgment he is seeking, if this is the kind of person he is looking for, whether independent or "indépendantiste," I can tell him that he is demonstrating his own questionable political judgement.

Earlier, Senator Tardif mentioned a program where 75 per cent of the projects that had been approved did not survive the first year. If this is the sort of political judgment coming out of the HEC and what the minister is talking about, then I think he should see whether perhaps there is not another Daniel Paillé.

Senator Fortier: Honourable senators, we need to be serious. I am in no way denying my roots. I am very proud of where I come from. But I again invite Senator Dawson to look beyond his little clique of federal Liberals and take a more objective view of people who have not necessarily been active in his party. That also goes for me and others on this side of the chamber. We have not asked Mr. Paillé to look at a system of day care centres across Canada. We have asked him to review public opinion research contracts awarded from 1990 to 2003.

When I look at his profile, I see that he is very well qualified. I invite you to read André Pratt's editorial in *La Presse*, which confirmed that Mr. Paillé is well qualified for this position.

• (1400)

Senator Dawson: If the honourable senator loves the island of Montreal so much, perhaps he could run for election there, or run in Vaudreuil. The same Mr. Paillé, however, has been associated with a government that was promoting sovereignty. Last week, when asked, he did not deny that fact, and yet the minister allowed this man to see our strategic data on how the federal government believes it should handle issues concerning the aspirations of a former Quebec political party towards sovereignty. I understand that his intention was to attack what he calls "the Liberals," but quite frankly, he was attacking not only the Liberal Party, but the institution of the Government of Canada. He is giving our adversaries access to information that could one day mean — and perhaps he will no longer be here to talk about it — that we will be forced to take up the battle against people who have more information on us than we have on them.

Senator Fortier: I do not share his concerns at all. I am surprised by how little he seems to know about Quebec society. There have been two referendums in Quebec — not one,

but two. I have a sister who voted "yes" in one of the referendums. Does that mean that I cannot speak to her? Does that make her someone who can never receive a federal government mandate, because she voted "yes" in one the referendums? Fifty per cent of the Quebec population voted "yes" in 1995 and 40 per cent, in 1981.

Wake up, Senator Dawson. Quebec society is not divided between federalists and sovereignists. It has changed a great deal. Unfortunately, he has been on the old federal Liberal Party train, which is why he is now left behind, out in the sticks.

[*English*]

Hon. Grant Mitchell: Honourable senators, the minister mentioned that we should take it into consideration that Mr. Paillé probably has a lot of friends outside the Liberal circle. We know that he has friends. What we want to know is: How good a friend is the minister?

In light of the concerns raised over the conflict of interest in this minister's letting of the contract to CGI, could the minister confirm today that he has no personal relationship, no business relationship or no other form of conflict of interest that would explain why he would be driven to hire this person — Mr. Paillé, of dubious competence — to do a job that has already been done perfectly well by the Auditor General of Canada, whom we all know is eminently competent?

Senator Fortier: Honourable senators, I can confirm for the Honourable Senator Mitchell that Mr. Paillé was chosen for both his competencies and his professional profile. If the honourable senator's would have been half as good as his, we may have considered him. Unfortunately, that was not the case, and I have not seen that change since I have been around here.

If the honourable senator has any allegations to make about either Mr. Paillé's character or mine with respect to either this project or CGI, I invite him to say the same thing outside this chamber.

Senator Mitchell: Now that the minister has clearly expressed a good deal of doubt in the competence of the Auditor General of Canada, and given that he has appointed this person to redo a job that she did perfectly well three years ago, is the minister and/or his government saying that she could well end up in the same situation as have the Chief Electoral Officer and both the Senate Ethics Officer and the House of Commons Ethics Commissioner? Is the minister questioning the Auditor General's competence?

Senator Fortier: Not at all, honourable senators. As a matter of fact, we were quite grateful to her for having raised this matter. She indicated clearly — and I invite my honourable friend to read those portions of her report — that she only looked at a sample of the contracts. We were clear during the election and we were elected. We won; you lost. Therefore, we are appointing this independent person to look at all of these contracts going back to 1990. If the Liberal folks who were there between 1993 and 2003 have nothing to fear, then why get as excited as the honourable senator is right now?

Senator Mitchell: If the Auditor General has already done the background work, would it not be more efficient, less expensive and more reasonable to ask her to go back and do more work? She is the expert; she has the competence. The minister has all the faith in her, but she is not a separatist and she is not incompetent.

Senator Fortier: I reiterate: We are not saying that the Auditor General is incompetent. We are saying that we will complete the review. She did a sampling of these contracts, and we want to review all of them. That is the difference.

JUSTICE

RIGHT HONOURABLE BRIAN MULRONEY— CASE OF ALLEGED BRIBES AND KICKBACKS

Hon. Terry M. Mercer: Honourable senators, perhaps I could help because it seems that both Senator Mitchell and Senator Dawson have missed the point.

• (1405)

Senator Dawson was quick to point out that Mr. Paillé was against having a day care centre across the street from him. That is why he has this study. These people are against having day care centres anywhere in the country, so he fits in nicely with them. That is where his friendship comes from. Let us do the linkage here.

Honourable senators, I am truly amazed at what I have heard here today. Only yesterday, the Leader of the Government in the Senate mused that the decision to move Canadian Coast Guard vessels to Newfoundland from Nova Scotia was not politically motivated. I am shocked. It seems simple to me that Canada's "growing-old" government has no MPs in the Halifax-Dartmouth area and three MPs in Newfoundland where the ships are going.

Today, we hear of the investigation ostensibly into the Liberal Party. Canada's growing-old government is using taxpayers' money to employ a separatist to open old files. If it walks like a rat, talks like a rat and smells like a rat, it is probably a rat.

Since the Conservatives appear to be willing to open old files, I will make the leader an offer: Why not open up the Airbus inquiry? I will make an offer to the Leader of the Government in the Senate that, since Mr. Paillé's qualifications are so lax and have been called into question by so many people, I would be more than willing to offer my services for free to investigate the Airbus affair and former Prime Minister Brian Mulroney's involvement. Will the Leader of the Government in the Senate agree that it is only fair since they are so keen on examining the past?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): That question and rant of Senator Mercer does not even warrant an answer. As we know, the case to which he refers was fully investigated by the RCMP.

Senator Mercer: That gives the leader warm, fuzzy feelings, does it not?

Senator LeBreton: It was under the honourable senator's government, by the way. Senator Mercer is being typically Liberal, mixing apples and oranges. The fact is, as Senator Fortier has said, and as I said yesterday, in terms of this particular issue, it was a commitment we made during the election campaign. There was a great deal of concern about the Auditor General's

report into these contracts. We made a commitment, and the Minister of Public Works and Government Services, in his capacity as Minister of Public Works, is a member of the government fulfilling that commitment.

Senator Mercer: One word that the Minister of Public Works used was "transparent." This government loves to talk about transparency, and then it throws down a veil so there is no transparency.

I expected the answer, and I am left wondering what Canada's growing-old government is afraid of when it comes to the Airbus affair.

Even this government, under Minister Toews, was involved in starting an investigation or review of the $2 million settlement that was given to Mr. Mulroney, but it was cancelled earlier this year. In opposition, current ministers of the Crown, including the incompetent Peter MacKay and the Minister of Agriculture and Agri-Food, Chuck Strahl, called for an inquiry into the handling of the affair. They were looking for transparency. They are now silent on the matter as well.

What are the Conservatives afraid of? It may seem so, but I am not implying there is anything wrong with Mr. Mulroney's involvement. However, it is hard to ignore the facts that I have repeatedly told this chamber. Now, even Karlheinz Schreiber, Prime Minister Mulroney's old buddy, is suing him for failure to provide services for the $300,000 that Mr. Schreiber paid Mr. Mulroney.

Since the current government's efforts to explore old files is no different from what I and many Canadians across the country are wondering about with respect to the Airbus affair, would the Leader of the Government in the Senate agree that an inquiry would clear the air on this matter?

• (1410)

Senator LeBreton: Unfortunately, honourable senators, this is what Senator Mercer is into. This particular case that he mentions has been investigated. Letters have been placed on the record. The RCMP wrote to Mr. Mulroney. The document is public. Every aspect of everything around Airbus was investigated, including work that Mr. Mulroney performed after leaving the office of Prime Minister. As I said in my answer to Senator Mercer, if Karlheinz Schreiber was not satisfied with the work, at least now he acknowledges that he and Mr. Mulroney's business relationship after he left the Prime Minister's office was a legitimate business arrangement.

PUBLIC WORKS AND GOVERNMENT SERVICES

AWARDING OF CONTRACT TO CGI GROUP INC.— POSSIBLE CONFLICT OF INTEREST

Hon. James S. Cowan: My question is for the Minister of Public Works and Government Services. Over the past few days the press has been full of reports that the minister will soon sign a $400 million contract that will benefit CGI, a company in which the minister holds or did hold shares. The minister was even listed as the primary investment banker when his employer, Credit Suisse, underwrote a share offering by CGI that raised more than $330 million.

The new code of conduct for procurement set out in the government's much lauded accountability act provides that a member of the government should avoid any situation of conflict, real, apparent or potential.

Will the minister confirm to us that he does not intend to dismiss his own ethics rules and sign the contract before the Public Service Integrity Officer has had a full opportunity to investigate this obvious conflict of interest?

Hon. Michael Fortier (Minister of Public Works and Government Services): I am interested in how the honourable senator would define an obvious conflict of interest. Obviously the honourable senator does not understand the first thing about either a conflict of interest or having had a career before coming here. I give the honourable senator the benefit of the doubt that perhaps he is playing partisan politics here.

I have said clearly that I have not been involved directly or indirectly in the awarding of this contract or any other one. If the honourable senator has a contrary view, I invite him to say so outside this room, and I look forward to the honourable senator saying that outside this room.

Senator Cowan: The words in your act, minister, are, "real, apparent or potential." I suggest to the minister that he may be the only person in this country who does not think that the press reports in the public now and the facts acknowledged constitute at least a potential or apparent conflict of interest.

Some Hon. Senators: Hear, hear.

Senator Cowan: Will the minister confirm in this house today that he has fully complied with all the disclosure requirements applicable to him as a senator and as a minister of the Crown, and he has and will continue to recuse himself from any involvement in the procurement and awarding of this contract?

Senator Fortier: I have complied with every single rule and regulation involving conflicts of interest. I will continue managing the department in accordance with those rules and regulations, and I will not recuse myself from any situation unless told to by the Ethics Commissioner. A few weeks after I was sworn in, ministers met with the Ethics Commissioner. For those of us who had a career before we came here, we were told that we could carry on our business as long as we declared shares that we owned. Mine were in a blind trust. The honourable senator's colleagues were talking about a witch hunt earlier. This is exactly what he is doing. I have nothing to do with these contracts. Senior bureaucrats handle these matters.

Again, if you have anything to say to the contrary, I would like you to take your smiling face out there and say it in public. Go now.

Senator Cowan: Sounds like we hit a bit of a sore point.

Senator Fortier: That is right. Go now.

Senator Cowan: You do not want to be here, go home.

Senator Fortier: Go now. Come on. Go now.

Senator Bryden: He never loses his cool.

PUBLIC SAFETY

ELECTION PROMISE TO INCREASE POLICE PRESENCE

Hon. Catherine S. Callbeck: My question is to the Leader of the Government in the Senate. During the last election campaign, the Conservative government committed to investing in front-line law enforcement personnel, which included negotiating a cost-sharing agreement with the provinces to put, and I quote, "at least 2500 more police on the beat in our cities and communities."

• (1415)

Here we are, approximately a year and a half and two budgets later, and yet the formal process for the federal-provincial agreement has not even started. In fact, the Canadian Association of Police Boards, the Canadian Association of Chiefs of Police and the Canadian Police Association have all said that the minister will not even return their phone calls.

When does the government intend to carry through on this election promise?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I thank the honourable senator for the question. The government has already, through the Minister of Public Safety, put money aside to increase our police presence. With regard to the statements just referred to by the honourable senator, I shall take her question as notice.

[*Translation*]

FIREARMS CENTRE—HANDGUN REGULATIONS

Hon. Francis Fox: Honourable senators, my question concerns the firearms registry and it is directed to the Leader of the Government in the Senate. As the minister knows, until recently, handguns had to be registered in the firearms registry. However, since the current government came to power, it has decided to no longer enforce significant parts of the firearms registration legislation. For example, the government declared an amnesty for those who do not register their firearms and are therefore in non-compliance with the firearms registration legislation. Recently, during the Easter break, it decided to extend this amnesty, which the Canadian Police Association denounced in Ottawa yesterday.

Can the minister tell us whether, in light of recent tragic events, the government would be prepared to reconsider its position, which seems to be characterized by a lax attitude toward the enforcement of the legislation?

[*English*]

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I thank the honourable senator for the question. Obviously, the horrific events of the past few days bring the issue of guns and the safety of citizens to the forefront.

The strongest gun control legislation in the history of our country was brought in by the previous Conservative government under Brian Mulroney. The guns that were used to commit these crimes in the United States are banned, illegal guns in this country. The gun registry is in place. The only question here concerns long guns. One must go through a rigorous process to obtain a gun in this country, including long guns. The question here is the registry of the long guns.

Indeed, to obtain the type of gun used in the tragedy in the United States — except for target shooters, and they are much more restricted — one must wait a long time and submit himself or herself to background checks. In this country, the amnesty was simply to deal with the long-gun registry, which guns, as we know, are primarily owned by hunters and farmers.

[*Translation*]

Senator Fox: Honourable senators, I have a supplementary. I would like to point out to the minister that my question stems from the serious concerns of Canadian society. These concerns are reflected in all the newspapers across the country, by all the editorial writers and also by politicians. For example, in his press release yesterday on the terrible tragedy at Virginia Tech, Premier Charest said:

> This incredibly violent incident reminds us of the importance of having stricter measures for firearms.

I also note that the Attorney General of Ontario, Mr. Bryant, who is responsible for the application of the Criminal Code in his province, also decries the government's decision:

• (1420)

[*English*]

> The Harper government releases information about the extension of the gun amnesty on Easter weekend, like they were hiding an Easter egg.

[*Translation*]

I would like you to pass on these comments to your colleagues and tell them that it is more important to Canadians to be reassured on the issue of gun control than to receive condolences following tragic events.

[*English*]

Senator LeBreton: Of course, the operative word in the question is "handguns," and those particular guns are banned in Canada. Strict gun laws were established by our government to ban those handguns. After the Montreal tragedy, more measures were brought in to restrict the number of bullets in a particular clip. Needless to say, we have strong gun laws in this country.

Unfortunately — and I think my honourable friend referred to them as the political class — people like to mix up the issue of our strict and strong gun laws and our own government's efforts to strengthen penalties for individuals who use firearms to commit crimes with the issue of long guns, which are used by hunters and farmers. However, our government is committed to ensuring that all firearms owners comply with the laws of Canada. Budget 2007 allocated $14.2 million to enhance the screening of 20,000 new firearms licence applicants to help prevent firearms from ending up in the wrong hands.

Unfortunately, we have seen tragedies similar to the one in the United States occur in this country as well. In fact, we had an incident many years ago right here in Ottawa on Fisher Avenue at St. Pius X school, involving a young man who had been in the

military. These horrific events happen and are horrible. I cannot imagine what it is like to be a parent of those children or anyone who has children in university having to deal with the prospect of such a thing happening, feeling that their children are not safe.

We do know that the guns used in this crime in the United States are banned in Canada. The only way they will ever be in the hands of Canadians is if they are illegally used or smuggled into this country. We are trying to put strong laws in place to punish people who use such firearms in the commission of a crime.

With regard to the long gun registry, we know that it cost $2 billion and did not work. Needless to say, the guns of the long gun registry are in a completely different category to the ones used in the commission of this horrific crime.

FINANCE

REVIEW OF COST OF FOREIGN ACQUISITIONS

Hon. Jerahmiel S. Grafstein: Honourable senators, I have a question for the Leader of the Government in the Senate. She will recall that on March 21, shortly after the budget was announced, I raised the question with her about the failure of the government to understand in the budget the situation of removing deductibility for Canadian companies, a decision that puts Canadian companies at a competitive disadvantage. The leader promised me at the time that she would look into the question and take it as notice.

Since that time, I was pleased to read in the papers yesterday that the Minister of Finance has taken the problem seriously and is re-examining this issue. Could the Leader of the Government in the Senate give us assurance that the government will move swiftly to correct this important economic issue that places Canadian companies at a competitive disadvantage by allowing foreign countries to have a better opportunity to scoop up Canadian companies in Canada?

Hon. Marjory LeBreton (Leader of the Government and Secretary of State (Seniors)): I did take the question as notice and sent it over to the Department of Finance. As the honourable senator rightly states, the Minister of Finance has said that he will review this matter. I will ascertain when we can expect an answer to the original question, and then I will add the concerns that Senator Grafstein has expressed today.

• (1425)

[*Translation*]

ANSWERS TO ORDER PAPER QUESTIONS TABLED

NATURAL RESOURCES—ASBESTOS INDUSTRY

Hon. Gerald J. Comeau (Deputy Leader of the Government) tabled the answer to Question No. 20 on the Order Paper—by Senator Spivak.

DEMOCRATIC REFORM—MICRO LOANS FOR WOMEN ENTREPRENEURS

Hon. Gerald J. Comeau (Deputy Leader of the Government) tabled the answer to Question No. 29 on the Order Paper—by Senator Callbeck.

DELAYED ANSWER TO ORAL QUESTION

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I have the honour of presenting a delayed answer to a question raised in the Senate by Senator Dallaire, on March 27, 2007, regarding the Aboriginal Healing Foundation.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CULTURE AND GENERAL APPROACH OF DEPARTMENT

(*Response to question raised by Hon. Roméo Antonius Dallaire on March 27, 2007*)

This Government remains committed to a fair and lasting resolution to the legacy of Indian Residential Schools, and recognizes the importance of bringing resolution to this tragic legacy in order to move forward in partnership with Aboriginal people.

The Government continues to make progress, in partnership with Aboriginal communities across the country, towards the implementation of the Indian Residential Schools Settlement Agreement which received final Court Approval on March 21, 2007. Now, former students and their families must choose whether to stay in the agreement or remove themselves (opt-out) from it. This historic agreement will be a source of healing and reconciliation among former students, their families, and all Canadians.

The Settlement Agreement provides for the Aboriginal Healing Foundation (AHF) to receive an endowment of $125M on the Implementation Date of the Agreement. Departmental officials are working on options to bridge the gap in funding to the AHF and we are confident that a solution can be found to ensure that the important work of the AHF continues as we move toward the implementation phase of the Settlement Agreement.

ORDERS OF THE DAY

BUSINESS OF THE SENATE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, pursuant to rule 27(1), I wish to inform the Senate that, when we proceed to Government Business, the Senate will address the items beginning with Motion No. 1 standing in my name, followed by debate at second reading of Bill C-46, and then all other items under Government Business in the order in which they stand on the Order Paper.

THE SENATE

MOTION TO EXTEND WEDNESDAY SITTING AND AUTHORIZE COMMITTEES TO MEET DURING THE SITTING ADOPTED

Hon. Gerald J. Comeau (Deputy Leader of the Government), pursuant to notice of April 17, 2007, moved:

> That, notwithstanding the Order adopted by the Senate on April 6, 2006, when the Senate sits on Wednesday, April 18, 2007, it continue its proceedings beyond 4 p.m. and follow the normal adjournment procedure according to rule 6(1).
>
> That committees of the Senate scheduled to meet on Wednesday, April 18, 2007 be authorized to sit even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

MOTION IN AMENDMENT

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, I would like to move an amendment.

That the motion be amended by replacing the second paragraph with the following:

> That the Standing Senate Committee on Banking, Trade and Commerce and the Standing Senate Committee on Transport and Communications scheduled to meet on Wednesday, April 18, 2007 be authorized to sit even though the Senate may then be sitting, and that rule 95(4) be suspended in relation thereto.

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

Some Hon. Senators: Yes.

Motion agreed to

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

Some Hon. Senators: Yes.

Some Hon. Senators: No.

Motion agreed to, on division.

BUSINESS OF THE SENATE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, with leave of the Senate, I would ask that the Speaker not see the clock at 6 p.m. and that rule 13.1 be suspended.

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

Hon. Senators: Yes.

Motion agreed to.

• (1430)

[*English*]

RAILWAY CONTINUATION BILL, 2007

SECOND READING

Hon. Gerald J. Comeau (Deputy Leader of the Government) moved second reading of Bill C-46, to provide for the resumption and continuation of railway operations.

He said: Honourable senators, our labour laws allow a balance between rights of parties to collective bargaining, using strikes and lockouts as tools, and if parties cannot reach an agreement over a reasonable time frame and their actions inflict major harm on the economy, then it is our duty as parliamentarians to intervene. We have now reached that point.

Canada is a country that was built on trade. One of the key reasons why our economy thrives is we are efficient at moving goods and people across vast distances. We had to do it as a result of our geography. We became one of the best in the world at this.

This capability and capacity is what attracts investors here. It helps ensure that Canadian businesses can operate their factories, shops, mills and other manufacturing facilities effectively.

The economic health of our country is threatened once again. The labour strike of CN Rail workers looms large over the land and our industrial base.

Last week, the majority of United Transportation Union, UTU, members rejected the settlement offered by their employer, CN Rail. CN Rail workers have since resumed strike action engaging in what I call rotating withdrawals of services.

There are good reasons why the Government of Canada must take action to address this labour dispute. I would like to take a moment to share the reasons why by highlighting the risk and impacts.

Earlier this year, we saw firsthand how devastating labour shortages can be in the transportation sector, even for a few weeks. In a matter of days, the dispute started to inflict serious hardships on our economy. It hurt businesses, affecting their ability to transport their products to market. It affected consumers and their access to everyday commodities. It came close to affecting the ability of millions to commute to work.

In Ontario in particular, the labour shortage struck hard on a range of industries. Their products and goods were no longer moving as they should across this country. Because of these factors, this dispute put Canadian workers at risk as well. People who had never asked to be involved in this fight were caught in the middle of it, nevertheless, and it threatened their ability to earn their livelihood.

Let me share examples of how deeply the strike was felt across the country and how it could be felt again if we do not act in the coming days.

Worker layoffs began in Ontario plants and industries in short order and these layoffs were at factories of all sizes, from those in the hundreds to those that employed workers in the thousands. Businesses had no choice. Their goods were not moving as they should.

In the automotive sector, workers were sent home because they could not get the materials they needed to assemble their vehicles. Ford Canada shut down its assembly plant in St. Thomas, Ontario, and workers were placed on short shifts. Smaller businesses felt the pinch too. A particle-board mill in Northern Ontario was faced with having to shut down temporarily because they had eight rail cars full of product waiting to be shipped out. Not a single train moved that inventory until CN workers were back on the job.

Chemical producers meanwhile had to cut their manufacturing capacity because they could not transport their goods to consumers. Like everybody else, they had no choice. They acted to protect their businesses, and with good reasons. Chemical producers estimated if the strike lasted another 30 days, their costs would have skyrocketed to between $15 million and $20 million.

The Minister of Transport received letters of concern from a long list of industry associations calling on their government to take action. This list included the Canadian Manufacturers and Exporters Association, the Canadian Industrial Transportation Association, the Canadian Chemical Producers' Association, the Automotive Parts Manufacturers' Association and the Ontario Agri Business Association.

Canada's new government is getting things done for farmers, manufacturers and many other industries that rely on the rail system.

Statistics Canada recently assessed the impact on the Canadian trade surplus to be almost $1 billion as a result of the February shortages. Imagine what we could do with that $1 billion lost. That is $33 million a day due to loss and work stoppages in February, almost $1.4 million an hour.

According to reports in the *Edmonton Sun*, exports of industrial goods slumped 9 per cent, and auto shipments tumbled 5.1 per cent. The already battered forestry products sector suffered the single largest monthly decline. The two-week strike in February cost grain farmers an estimated $5 million to $8 million in net demurrage; that is, late loading fees.

More than 20 ships were waiting at Vancouver and Prince Rupert ports, and eight of these ships have been waiting so long for the Canadian Wheat Board grain they are now paying $300,000 a day in demurrage fees.

The union members had rejected by 80 per cent the negotiated settlement reached by their own union leadership. After the agreement was rejected, the leadership called for rotating strikes across the country. The regional unions publicly rejected the strike action and decided to stay on the job in Halifax, London, Ontario and Sarnia. The disconnect between the union leadership and members has impeded the bargaining process. Without legislation, uncertainty would undermine confidence in the Canadian rail system for manufacturers, farmers, forest workers, as well as our trading partners around the world.

One of the most vocal groups calling for quick passage of the Bill C-46 has been the Canadian Wheat Board and Saskatchewan grain farmers. Senator Tkachuk would be happy to hear that the Saskatchewan grain farmers have been pushing for this bill.

Honourable senators, I have shared with you a few examples of who has been and continues to be hit by this strike. The examples illustrate how vital Canada's transportation sector is to our economy.

We learned from the strike that unless we act quickly, the impact of labour shortages grows quickly in size and in scope. That is why the government is making it clear once again that it will act quickly to protect the Canadian economy, workers and industry. The government worked on both sides of the bargaining table to get the job done but this work has failed. The government therefore has no other option than to move with back-to-work legislation. It is not the government's preferred choice of action. The government remains committed to the collective bargaining process, but it also wants to make clear to both CN Rail and the union representing striking workers, Canada will not allow work stoppages to inflict more serious damage on our economy. That is why I urge all senators that we proceed this afternoon with Bill C-46 in an expeditious way. I understand the minister will appear before the committee of the whole. We will be able to question him on what action he may proceed with in the future. I recommend we proceed as expeditiously as possible.

• (1440)

Hon. Tommy Banks: Honourable senators, I am from the West, and anyone living in the West knows, as I do, that the West grew up with the railway. Although from time to time we might hate the people who own the railways, we love the people who run them. Senator Comeau has outlined correctly the present circumstance.

I am torn with respect to Bill C-46, but I will vote for it. I am torn because I am a member of two labour unions; I understand what labour unions do and what happens when things get in the way of the bargaining process. However, this bill is not the result of things getting in the way of the bargaining process. Rather, the bill before us is the result of a long-standing dispute.

As Senator Comeau said, the situation seemed to be resolved in February when the government introduced back-to-work legislation, which it did not enact. In light of that, a tentative agreement was arrived at but, unfortunately, on March 26 the members voted against it.

Also, as Senator Comeau said, railway operations in this country are essential services — particularly in the region of the country in which I live. Everyone would prefer a negotiated agreement, but when that does not seem possible, as in the present case, and when a disaster is imminent, as in the present case, measures must be taken to protect the national economy and the national interest.

So that all honourable senators understand the nature of the vote, Bill C-46 has the effect of extending indefinitely, until certain things happen, the labour agreement that was in place at December 31, 2006. Hence, there will be an agreement in place, and that agreement will be extended until a new agreement is reached. The bill prohibits lockouts by the employer or strikes by

the employees during the course of this process and authorizes the Minister of Labour to appoint an arbitrator to bring about a new agreement. Bill C-46 provides that if the railways and the union arrive at a new agreement before the arbitrator brings down a decision, then the arbitrator's duties cease and are nullified.

The process of arbitration set out in the bill is interesting and much admired. The first time I heard of a similar process was in Australia. The arbitrator receives from each party — the employer and the employees — in respect of those matters on which they do not agree an envelope containing each party's last best offer. The arbitrator will select one or the other of those proposals in respect of each of the outstanding issues on which there is disagreement. In my experience in such matters, arbitrators do not like to modify those last best offers or positions but rather prefer to select one or the other. The effect of that is that, whereas the two parties were miles apart prior to arbitration, in order not to be seen to be unreasonable and in order to make it more likely that a particular party's offer will be the solution selected by the arbitrator, the parties often come closer in their demands and, at times, their positions might even overlap.

No one likes imposed labour agreements — employers and unions alike — but there are larger interests, to which Senator Comeau has referred, that must be taken into account. For example, in the absence of an agreement, a raid could take place by another union. That cannot happen when an agreement is in place, which Bill C-46 achieves. In the long-term interests of the workers, the railroads, the agriculture and forestry industries, the resource industries, the auto industries, and in the interests of Canada, regretfully we must pass this proposed legislation. I urge honourable senators to pass Bill C-46.

Hon. Leonard J. Gustafson: Honourable senators, I wish to make a short intervention on the urgency of this bill, because farmers are ready to seed and the products they use — seed, fertilizer, et cetera — are delivered by rail. There could not be a worse time for a strike. As well, the movement of grain is extremely important. If farmers miss several cars of shipped grain, it is difficult to make that up. We must keep the grain moving, especially since farmers over the past few years have been plagued by other serious problems. This type of event always seems to happen at peak times, as it is happening now.

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

Hon. Senators: Question!

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

Motion agreed to and bill read second time.

CONSIDERATION IN COMMITTEE OF THE WHOLE

The Hon. the Speaker: When shall this bill be read the third time?

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I move that the bill be referred to the Committee of the Whole now.

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

Hon. Senators: Agreed.

The Senate was accordingly adjourned during pleasure and put into Committee of the Whole on the bill, the Honourable Rose-Marie Losier-Cool in the chair.

• (1520)

The Chairman: Honourable senators, the Senate is now in Committee of the Whole on Bill C-46, to provide for the resumption and continuation of railway operations.

[*Translation*]

Honourable senators, Senate rule 83 states that:

> When the Senate is put into Committee of the Whole every Senator shall sit in the place assigned to that Senator. A Senator who desires to speak shall rise and address the Chair.

Honourable senators, is it your pleasure to suspend rule 83?

Hon. Senators: Agreed.

The Chairman: Motion agreed to.

Pursuant to rule 21 of the *Rules of the Senate*, the honourable Jean-Pierre Blackburn, Minister of Labour, was escorted to a seat in the Senate chamber.

The Chairman: Honourable senators, on your behalf I am pleased to welcome the Minister of Labour, the Honourable Jean-Pierre Blackurn, and his officials.

Mr. Minister, do you wish to make some opening remarks?

The Hon. Jean-Pierre Blackurn (Minister of Labour): Madam Chair, thank you. Don Clark and Ginette Brazeau from my department are here with me today.

I must say that I am not sure if I should give my speech or simply get to the point. I would like to provide some background to the tabling of Bill C-46 in the House of Commons. There is a dispute between two labour organizations, one of which is the Canadian United Transportation Union, which reports to the American union.

There have been discussions between the parties since as far back as September 2006. Conciliation and mediation services were used. All of a sudden, a strike was declared, and at that point Canadian National asked the Canada Industrial Relations Board if that strike had been legally declared by the Canadian union, since in CN's opinion, only the American union had authority to declare such a strike.

The matter was in the hands of the Canada Industrial Relations Board for a number of days, and when the time came for the parties' lawyers to present their arguments concerning the legality of the strike, the American union refused to recognize the Canadian union's representative, a lawyer, as its representative. The Canada Industrial Relations Board decided to give the union's lawyer five days to prepare. All the while, the strike went on for five more days.

As minister, I was in the position of having to wait for the Canada Industrial Relations Board's much-anticipated decision. Meanwhile, the Canadian economy was suffering a lot because of this. We have had complaints from farmers, grain producers and, in Western Canada, from ports and other parties. A number of ships — as many as 14, as things stand — have been held up at the Port of Vancouver. Ship owners have been paying fines of up to $300,000 per day because they have been unable to pick up their merchandise, and on it goes. On Monday night, when the Canada Industrial Relations Board that heard the parties was expected to deliver a decision, I was told that there was no guarantee the decision would be handed down that night. That brought the duration of the job action to 13 or 14 days. I decided that we had waited for the decision long enough. I called the president of the Canadian union and Canadian National to tell them that things had gone on long enough, that we could wait no longer, and that they had a few hours to reach an agreement or the government would step in. The president of the Canadian union told me that his union had more or less been fired. They were no longer the union representatives authorized to speak on behalf of the United Transportation Union. I was referred to another person, and I told that person the same thing.

The next day, or the day after that, we tabled our notice of motion. Then, moments before we tabled Bill C-46 in the House of Commons for first reading, I was asked not to table the bill because they were about to reach an agreement. I refused because we had to act. Things had gone on long enough. There was nothing preventing the parties from reaching an agreement later even if we tabled our bill for first reading. That is what we did. We tabled it, and within 36 hours, they reached an agreement.

In the presence of our mediators, an agreement was signed by the parties and was to be submitted for ratification by the employees of Canadian National. After that, the workers decided to go back to work. This gesture was very much appreciated. They decided to go back to work the very next day. It was good for our economy because, as I mentioned, Canada cannot function without its rail service. When there is a strike, no matter where, as soon as one area is not in operation, the impact is felt everywhere. We were very happy to see it resolved, and we were awaiting the much talked about vote. To our surprise or disappointment — although I can hardly say disappointment, since it is their right — they rejected it. There were concerns about our economy, nonetheless, since they were again talking about rotating strikes. We said very clearly and publicly that we would not take any chances with that. We could not allow the situation to deteriorate.

The following Saturday, the parties sat down together. It became apparent that it was going to be impossible to reach an agreement. The parties' positions were too far apart from one another, and the dispute between the American union and the Canadian union was having an impact. How great was that impact? The workers can speak for themselves.

From there, in response to numerous request from the port, chemical, oil and gas, and forestry representatives, we had to act. This was Canada-wide. We received calls and letters, asking us to bring forward legislation, because rotating strikes can be devastating. As I said, if there is a rotating strike in one area, in one province, it will affect not only that province, but all of Canada.

• (1530)

That is why we tabled this bill. Now I would like to explain the motivating factors.

Is it mean of the government to want pass such legislation, or is the government simply shouldering its responsibility? I believe that we are shouldering our responsibility. As soon as you, the members of the Senate, pass this bill, they will have to return to work or face the fines applicable in this kind of situation.

There are two really interesting aspects to our bill. First, we will appoint an arbitrator, who will have three months to discuss with the parties and see if they can reach an agreement. If the parties do not reach an agreement within three months, the areas in which they have come to an agreement will stand, but for the areas in which they have not, the arbitrator will ask the union and Canadian National to submit proposals. The arbitrator will not look for a compromise between the two but rather select one or the other, solution A or solution B.

Neither party will want to have the other party's solution selected instead of its own. Therefore, we believe that, given the seriousness of the dispute between the parties, this will force the employer and the union — Canadian National and the United Transportation Union — to find a solution to the conflict.

Furthermore, clauses 13 and 14 of our bill clearly indicate that nothing prevents the parties from reaching an agreement. If they agree, their agreement stands. But we want to put a stop to these disturbances in the Canadian economy. We cannot keep worrying about this. Businesses need their goods. Remote regions need food and essential services. The ports have to keep operating.

Do you know that Part I of the Canada Labour Code defines as essential services those that relate to threats to human life and public health? The reality is that rail transportation is an essential service. The system does not work without trains.

That is why we drafted this bill, and now we are here to ask you to approve it. I think it makes sense and it is the right thing to do.

I support balance between the two parties, as it is my responsibility as Minister of Labour to ensure that both parties are in a position to negotiate. However, in this context, it is clear that this is not possible, so we have to step in.

I am ready to answer questions.

[*English*]

The Chairman: Thank you, Mr. Minister. If your officials wish to add something or contribute to the answers they may do so.

I will now open my list to senators who wish to add questions.

Senator Gustafson: Does the minister have any indication of the amount of demurrage costs to the agriculture business?

[*Translation*]

Mr. Blackburn: For the agricultural sector, we are talking about US $300,000. But as far as the Canadian economy as a whole is concerned, Statistics Canada reported that, in February, our

exports were $1 billion lower than they should normally have been. This drop is for the most part a result of the strike at Canadian National Railway. One billion dollars: that is what it has cost the Canadian economy.

[*English*]

Senator Gustafson: Does the minister know what percentage of the railroad's movement is grain? What percentage of their total movement is grain movement?

[*Translation*]

Mr. Blackburn: I wish I had a specific answer to give you in response to your question, but it is so specific, in connection with a specific area, that I do not have that kind of information at hand.

But let me tell you that my colleagues in the House of Commons have been telling me that farmers were so pleased with our passing this legislation that they would not stop thanking our members for taking their responsibilities as parliamentarians. You may even have noticed that we also had the support of the Liberal Party, the official opposition.

I think that everyone could see clearly that, to the extent that there does not appear to be any short term solution, we cannot just leave our economy vulnerable. It was in that context that we introduced this bill in the House of Commons yesterday, and voted on it late last night.

Senator Ringuette: Minister, in your opening remarks, you indicated that the arbitrator selected by your department will have three months to speak with the parties.

However, I do not find any mention in the bill of that period of three months. Could you tell me where it is mentioned?

Mr. Blackburn: The 90-day period is mentioned in clause 11(1).

> 11. (1) Subject to section 13, within 90 days after being appointed, or within any greater period that may be specified by the Minister, the arbitrator shall
>
> (*a*) determine the matters on which the employer and the union were in agreement as of the date specified for the purposes of paragraph 10(1)(a);
>
> (*b*) determine the matters remaining in dispute on that date;
>
> (*c*) select, in order to resolve the matters remaining in dispute, either the final offer submitted by the employer or the final offer submitted by the union;
>
> (*d*) make a decision in respect of the resolution of the matters referred to in this subsection and send a copy of the decision to the employer and the union; and
>
> (*e*) forward a copy of the decision to the Minister.

It is the Minister of Labour who selects the arbitrator here. However, we felt it wise to contact the parties to see whether they had an arbitrator, or one could agree on one. Should the parties agree on this issue, we would, of course, be receptive to their suggestion. Otherwise, on Monday, we will immediately proceed to ensure that things move forward.

Senator Ringuette: Are you confirming to us, if I read clause 11 properly, that, within three months after this bill is passed and, of course, an arbitrator is appointed, the whole process of the two parties discussing the issues still under dispute and submitting them to the arbitrator, and the decision made by the arbitrator, which will be the basis of the new collective agreement, will be completed?

Mr. Blackburn: From the moment an arbitrator is appointed, he has this period of 90 days, unless the minister decides to extend it for reasons which, right now, remain unknown to me. Of course, it is our wish that the parties come to an agreement.

After 90 days, the arbitrator will basically ask the two parties what they agree on. If, for example, the parties agree on 90 per cent of the issues discussed, this will be part of the agreement. As for the 10 per cent that remain under dispute, the arbitrator will ask both parties to submit a proposal, and then choose between A or B, for the matters that remain under dispute.

But where an agreement is reached, that agreement will be accepted by the arbitrator.

Senator Ringuette: Is the minister answering my question by saying that, yes, the whole process will be completed within 90 days?

• (1540)

Mr. Blackburn: As I mentioned, once the arbitrator is appointed, there is a 90-day period, although the minister may decide, at his discretion, to extend this period. Naturally, we would do that in a situation where everyone agrees to an extension of a few days, but the legislation states 90 days.

[*English*]

Senator Di Nino: Welcome, minister. You gave us an indication of the loss of export opportunities because of the strike and the cost to our economy. Could you share with us the impact that the strike has had on the economy as a whole? Perhaps you may have specific segments that you would like to highlight, for instance the industrial base in southern Ontario, which is the area that I come from.

[*Translation*]

Mr. Blackburn: I mentioned earlier that Statistics Canada reported that our exports, usually $5 billion per month, were only $4 billion in February. The estimated $1-billion loss in Canadian exports crossed various sectors of economic activity, with our exports tallied by sector at the end of each month.

Just yesterday, or the day before, we received 70 telephone calls from various companies asking us to legislate and not to wait, and we have also received many letters from businesses.

I will give you examples from the 14-day strike: Ford had to cut shifts at plants in Ontario because it did not have supplies; two potash mines had to close in Saskatchewan; 14 ships were immobilized in port in Vancouver; the forestry sector, even in my region of Saguenay-Lac-Saint-Jean, called on us to take action.

So it was spread out across the country, among farmers and grain producers, and others. The problems were spread quite widely through each of the provinces in Canada. This is why we are wondering how much time we must wait and let our economy falter during rotating strikes. Should we wait five days when things are not going well? Twelve days? Thirty-two days? There comes a time when we have to act. This is why we said that there had been 14 days of strikes, which caused a great deal of harm, and moreover, we were stuck in this dispute between the American union and its Canadian counterpart. This dispute is what caused the delay with the Canada Industrial Relations Board. The Board had to hear the parties before making a decision.

Nevertheless, despite the bill, there is nothing stopping the two parties from saying that they have reached an agreement an hour from now. The law is there to ensure that no rotating strikes, or any kind of strikes, threaten the various sectors of our industry and our economic activity, and to ensure that everything runs smoothly.

It was obvious yesterday in the vote in the House of Commons: 195 members voted for, and 71 against. We almost set a record yesterday for adopting special legislation in such a short period of time — even if we in the House found the process quite long. That gives an idea of how well the legislation was received.

Also, I must point out that normally with special legislation, there are protests in Ottawa asking the government not to adopt this law or that law. This was not the case. Our Parliament had the good sense to say that, in the best interests of our country, we had to take action.

[*English*]

Senator Di Nino: My supplementary question deals with something you touched upon and that is the ripple effect that this kind of action will have on the economy as it deals with the individuals involved, the people. We have begun to see a loss of employment across the economy as a direct result of this particular strike; is that correct, Mr. Minister?

[*Translation*]

Mr. Blackburn: No, that is not exactly the case. Here in Ontario, for example, Ford cut shifts because it could not receive goods. If you are manufacturing cars and you have no bolts, you cannot go any further.

Farmers were very hard hit. In the forestry sector, an estimated 1,300 jobs were lost. Everyone was holding their breath and telling themselves that the strike would be settled soon. But it had to end at some point.

It was the dispute between the two unions that caused the 14-day delay. In 1999, the Canada Labour Code was updated. But in fact, this is the first time since 1997 that special legislation had to be passed, because Part I of the Canada Labour Code works well. It strikes a balance and allows employers to use replacement workers in the event of a strike, but not to undermine the union's representational capacity. If the union believes that the workers want to undermine the union's representational capacity, it can go before the Canada Industrial Relations Board, which will deal with the issue immediately. Of the 19 applications that have been brought before the board, 13 have been deemed inadmissible and three have been denied. The board is considering the remaining three cases. The legislation works well at present, but it is always a question of balance. If the union is extremely strong and can paralyze the economy, that has to stop somewhere, because it upsets the balance. On the other hand, if the employer holds all the cards and is too powerful for the union, that also upsets the balance.

That is why we feel that the current legislation, Part I of the Canada Labour Code, strikes a good balance. But, unfortunately, situations like this do arise.

In 2004, the Canada Industrial Relations Board had to determine whether Canadian National was an essential service. And the Canada Industrial Relations Board determined that it was not. Under the legislation, only when public health or someone's life is threatened does this become an essential service. The board deemed this was not the case.

If Bill C-257, tabled by the Bloc Québécois and banning the use of replacement workers, had had force of law on February 24, roughly when the parties reached an agreement in principle, the employees would not have been able to go back to work. It would have taken two months to get everyone to vote and only when the result of the vote was known, if it were in favour, could they have gone back to work. Can you imagine two months without train service in Canada?

We can appreciate the principles and the fine policies, but we have to consider their impact on everyday life, on your life and on the lives of those we represent. We are here to serve the public. We are here to do what, in our wisdom, it takes to keep our economy going and to see that employees get their salary, which is very important to them. If they are caught up in a dispute and powerless, then Parliament must take action, and that is what we have done.

• (1550)

[*English*]

Senator Banks: Mr. Minister, welcome to this side of the bar. We have seen you on the other side of the bar occasionally. We are glad that you are on this side. I hope you will tell your colleagues what a pleasure it was to be in a place where everyone is actually listening to you, where people have the time required to ask a full question and you are given the full time to answer. I hope you enjoy that.

Several amendments were made to the bill last night, I believe. I understand that clause 2 was amended, adding the BC Rail agreement, because there is another railway involved. The second amendment made to clause 2 — and this agreement as originally drafted contemplated the United Transportation Union — has added the words:

> . . . or any other trade union certified by the Canada Industrial Relations Board to represent the employees.

What circumstance is contemplated that made that amendment necessary?

[*Translation*]

Mr. Blackburn: Senator Banks' question is a good one. When drafting a bill, we do so in light of the situation at hand while taking into account what might happen in the future.

While drafting this bill, we realized that although BC Rail, a subsidiary of CN, was at the negotiating table, we had not included it. In the event of an agreement with CN that did not include BC Rail, there could have been a lockout at the latter. That is why we wanted to ensure that it would be a party to the agreement.

The reason we decided to say "or any other trade union" is that the Teamsters are currently before the Canada Industrial Relations Board wanting to be recognized as the United Transportation Union's representative. We do not yet know what the Canada Industrial Relations Board will decide in this matter, but we want to ensure that the bill will apply regardless of which union speaks for the United Transportation Union. That is why we included the provision: for protection in any foreseeable situation.

[*English*]

Senator Banks: With respect to that question, minister, I have been operating under a misimpression. I thought that the labour law of this country did not permit union raiding while a labour agreement was in place and valid, and while people were working under it. You have said, I think, that the Teamsters have moved to become the representative of the workers while an agreement was in place. Have I misunderstood the law or you?

[*Translation*]

Mr. Blackburn: The Canada Labour Code states that a raiding period is allowed. That is the issue currently before the Canada Industrial Relations Board, which must decide whether the Teamsters can be recognized as the United Transportation Union's representative.

We do not know what the outcome of this issue will be, but if this were to happen, they would be covered by Bill C-46. We must ensure that there are no lockouts or rotating strikes of any kind by any union. Fines are set at $1,000 per day for individual employees, with fines of $50,000 per day for union officials and $100,000 per day for the union or the employer.

[*English*]

Clause 11 of the bill describes the arbitration process in which the arbitrator will select, in respect of those matters on which there are still differences, one or the other of the final positions of the union and the employees, replete with wording that can be put into an agreement.

Proposed subsection (*d*), after it describes the arbitrator selecting one or the other of those positions, reads that the arbitrator will "make a decision in respect of the resolution of the matters referred to. . ."

Is it the case that the arbitrator is bound to put either the position that he selects from the union or the position that he selects from the employer into the agreement and it then becomes part of the agreement per se, or does the arbitrator have the authority to modify either of those positions? In the classic application of this model, the arbitrator must pick one or the other and may not modify either of them, which often leads to convergence.

Does this bill permit the arbitrator to modify either of those last stated positions?

[*Translation*]

Mr. Blackburn: The part of this bill that I am most proud of is the proposal concerning the final offer. Traditionally, in a labour dispute, an arbitrator listens to party A and party B and looks at the issues they agree on. When the parties do not agree on certain issues, often the arbitrator will take a position that represents a compromise between them.

Under the circumstances and given what is at stake, I believe that the final offer is a very good proposal. Allow me to describe again how it will work. The parties must negotiate, and they have three months to do so. They negotiate and agree on a number of issues that will be included in the collective agreement.

On those issues on which they cannot reach an agreement, the arbitrator asks each party to make a final offer. The arbitrator will not compromise between the two offers, but will choose either A or B. If the arbitrator chooses B, that is what will go into the collective agreement, along with whatever the parties agreed on in their discussions. The final offer will force the parties to find a solution, because each party will be afraid the other party's position will prevail. That is human nature. We believe that this will force them to reach an agreement. At least, that is our hope.

This government and the current Minister of Labour would have preferred not to legislate, but in view of what is at stake, we had no choice. Even with the legislation, the parties can still reach an agreement.

[*English*]

Senator Day: I would like first to follow up on clause 11, because it is still not clear to me why clause 11(*d*) is necessary. If you look at clause 11(1), the arbitrator in the 90 days will, in (*b*), determine the matters, and in (*c*), select. That resolves everything: the matters agreed to, the matters not agreed to, and then he will select between the two. Why do we come down to (*d*) and make a decision, since the arbitrator has already selected and determined? Perhaps the answer, and maybe you could help me with this, is that to make a decision is something that is needed by virtue of existing legislation; making a decision is something different from selecting and determining. Could you help us with that?

[*Translation*]

Mr. Blackburn: Allow me to clarify. The parties negotiate and agree on 90 issues out of 100. For the remaining 10 issues, the arbitrator suggests that the parties make a proposal and then selects A or B. The arbitrator does not take three issues from A and seven from B. Once he has the proposals in front of him, he makes a decision and sends me a copy. The proposal he chooses will form part of the collective agreement and bind the parties.

• (1600)

That is what is interesting and positive about this bill. Besides, this has already been done, in 1994, and it proved to be beneficial.

Senator Day: Mr. Minister, a decision has already been made. If you would look at the other clauses, determine the matters and make a selection. Why hand down a ruling after all the decisions have already been made? That is what I do not understand.

Mr. Blackburn: If you like, we will go over this section. Indeed, I believe it is the key point, in addition to the fines set out in this bill.

> **11.** (1) Subject to section 13, within 90 days after being appointed, or within any greater period that may be specified by the Minister, the arbitrator shall
>
> (*a*) determine the matters on which the employer and the union were in agreement as of the date specified for the purposes of paragraph 10(1)(*a*);
>
> (*b*) determine the matters remaining in dispute on that date;

He is at the end of his 90 days and is saying, "Here are the points on which they disagree." Then, he selects, in order to resolve the matters remaining in dispute, either the final offer submitted by the employer or the final offer submitted by the union. He decides which one he will go for.

Senator Day: He decides between the two?

Mr. Blackburn: That is right. Then, he submits a decision in writing.

Senator Day: He writes his decision afterwards?

Mr. Blackburn: And he sends a copy to both parties.

Senator Day: The decision has already been made, but it will be submitted in writing.

My second question has to do with clauses 6 and 8 of the bill. If I understand clause 6 correctly, it means that, with this bill, existing collective agreements will be extended until another collective agreement can be created by clause 11 and the arbitrator. Thus, the existing collective agreements will be extended.

Clause 8 provides that the minister shall appoint an arbitrator, but that arbitrator could be appointed in ten days, two years or five years. There is no set time frame. This means that existing collective agreements will be extended until the beginning of the 90 day period provided under clause 11, after the arbitrator is appointed. Why did you not set a time limit to appoint an arbitrator in this bill?

Mr. Blackburn: I think you will understand that the government cannot play games; this is not a game. The fact is that we have already undertaken discussions with the parties to identify an arbitrator who could be acceptable to both sides. If there is no agreement on the selection of this arbitrator, we will proceed, as early as this Monday, to appoint an arbitrator who will launch the process under the 90-day period.

In the meantime, the collective agreement continues to apply, precisely until an agreement is reached by the parties. Let us not forget that, if there was a strike right now, none of this would apply. Employees know that they will continue to get paid and they will continue to work, while businesses know that they will continue to get their raw materials. They know that we are a reliable country. They know that the goods will be delivered and exported. Canada has always been recognized as a reliable country by the international community.

So, again, an arbitrator will be appointed as early as this Monday. If we did not do that publicly, it is easy to imagine that we would experience problems. We cannot play that game.

Senator Day: I have another short question. As regards the agreement, can you give us the assurance that this action will be taken within the time frame for appointing an arbitrator? There is an imbalance here. It is not a good thing that unions know the collective agreement will be extended and that the government will not appoint an arbitrator at the earliest opportunity.

Mr. Blackburn: I should point out for the benefit of all the members of this chamber that, when we want to select an arbitrator, we sometimes start with a list of ten people. We contact the first person: he is not interested. We call the second one: he would be in a conflict of interest situation and cannot take the job. It is not always easy to immediately find someone. Representations are already being made. Some potential candidates have been identified by the government. However, we have decided not to act immediately. We have started looking around and we have identified a number of people. However, we have decided not to make a move yet, but instead to first check with the union and Canadian National to see whether they already have an arbitrator that would be acceptable to both sides. If that is the case, we want to know who that person is and cooperate. I can assure you that we will take action on Monday.

Senator Dallaire: Mr. Minister, welcome to our humble abode. I hope you are not too annoyed about coming to a place where your colleague, the Minister of Public Works, said the people who work there are not up to much. We are trying our best to fulfill our constitutional role, and we hope this is not a waste of your time.

In your preamble about the purpose of the bill, I did not hear in your arguments anything about national security. I will give you two examples. First, we are in the middle of flooding season and we know that, in Winnipeg, there was a major flood a few years ago that required a significant deployment of members of the armed forces and much of their equipment. The railway was used intensively at the time. The possibility of such a scenario requires having provisions in place in order to respond to the emergency.

Second, on the flip side, we have troops deployed overseas. They need supplies and training. A number of training centres are in Western Canada. Some equipment, armoured vehicles for example, can only be deployed by train. Is that not reason enough to consider the scope of the risk from the standpoint of national security and support for the troops? It would justify having a resolute bill. Could that not be included in the arguments?

Mr. Blackburn: I would like to begin by making a comment about the Senate. When I was a young boy of five, my grandfather was the mayor of Chambord, a small municipality in Saguenay-Lac-Saint-Jean. Whenever he saw me he would address me as "Mr. Minister." I am not sure what impression I made with the way I dressed. When I was in my thirties and I was president of the Regroupement des centres villes du Québec, my colleagues around the table called me "Senator." I do not know why. Being here today is an honour and a privilege. I have a very high opinion of the Senate.

Having worked on the constitutional issue with Senator Beaudoin, a gentleman I adored working with in two constitutional committees, I know how hard senators work, devoting many hours to what they do and being very professional. You will not hear me say anything negative about the Senate, not at all.

• (1610)

With regard to the Canadian National strike, it is true that the issue of security comes into play when a strike drags on or when there are rotating strikes. Whether we like it or not, replacement workers can take their place; that just goes with the territory. Hence our thinking that, in each sector of economic activity — with small, medium or even larger companies — the small business also needs supplies, it needs to pay its employees and the employees need their cheques to provide for their family. Our economy relies on the system as a whole to function properly. As for this CN strike, I would like to thank the parties for their co-operation because they could have shut down the GO Train in Toronto. Imagine how catastrophic that would have been.

I believe that the Canadian National rail service is essential to the proper functioning of Canada and its economy, essential to serving people who need goods and merchandise, whether for our troops or any sector of economic activity. We must be vigilant and take this into consideration. In addition, in the case of our troops, every day we see how difficult things are in Afghanistan. When we serve our country, unfortunate things can happen. You also referred to this and you were an important witness to what happened in the past.

Senator Dallaire: With purchases of strategic lift aircraft, our dependency on rail availability will decrease and there will be a better balance. Nevertheless, I would like to point out that, even during World War II, dockworkers went on strike causing significant difficulties.

Thus, I would like to bring to your attention that, as part of your responsibilities, the aspects of security, national defence and aid to civil powers — whether it is an October crisis or flooding — must be weighed to the same extent as the other components of our society.

Mr. Blackburn: Honourable senators, as I indicated earlier, CN services are not considered essential under the Canada Labour Code, but, for our country to work, I for one think that they are essential. They are vital to our security and our health, to our food supplies, and to the continuity of business that makes us a prosperous nation.

In that context, your point and comment are completely justified and further confirm the need for this legislation.

[*English*]

Senator Bryden: Thank you, minister, for joining us. Is this a legal strike?

[*Translation*]

Mr. Blackburn: Yes, it is a legal strike.

[*English*]

Senator Bryden: It started, I think you said, because of a conflict between the U.S. unions and the Canadian union. Was that a jurisdictional dispute?

[*Translation*]

Mr. Blackburn: Again, starting the strike action was a union decision. After the strike was called by the United Transportation Union's Canadian branch official, then Canadian National, the employer, told the Canadian branch it did not have the right to call a strike; only the president of the American branch had that right. CN went to the Canada Industrial Relations Board and said, "Here is what we think. We are leaving the decision up to you." Days passed, and, five or six days later, when the Canada Industrial Relations Board was ready to hear the parties, the American union said it did not recognize the lawyer representing the branch in Canada and it wanted its own lawyer, American or otherwise, to appear before the Canada Industrial Relations Board.

That is when the Canada Industrial Relations Board granted a five-day extension for the new lawyer to prepare and familiarize himself with the case.

While this was going on, the trains were not running, and Canada's economy was taking a blow. We were caught in a situation which, because of a conflict between two unions, took that particular turn. The strike per se was legal, though, and it was called by the union, here in Canada.

[*English*]

Senator Bryden: It was properly called, as far as the Canada Industrial Relations Board was concerned, in order to be a legal strike in Canada. Is that correct? It sounds to me as though there were a question between the constitution of the union internationally and what was happening here. Did you ever get an answer to the question of whether they were legally on strike as far as their own constitution is concerned?

[*Translation*]

Mr. Blackburn: You are correct; that is my interpretation. When the Canadian union called a strike, it was assuming that it was within its rights, that it had the authority to call a strike, because all the steps had been followed as set out in the legislation. It was afterwards that Canadian National interpreted the Charter and said that, no, the Canadian union did not have the right to call a strike, and it took the case to the Canada Industrial Relations Board, which was to make a decision. The Board said that it was legal.

After 10 or 12 days, the Canada Industrial Relations Board said that the strike was legal, that the Canadian union's decision to call a strike was legal.

[*English*]

Senator Bryden: If there had not been this confusion, would you have allowed the strike to continue for 14 days before taking action?

[*Translation*]

Mr. Blackburn: Again, this is hypothetical. It would have depended on whether there had been any hope of the parties coming to an agreement. This is always the case. When we look at a dispute, we ask ourselves if the timeline is short, if it is a matter of hours, days, weeks or months. This changes the picture. I cannot give you a specific answer, but obviously the country has to be able to function. People need to be paid, companies need their goods to be able to produce. This is the very foundation of our country.

[*English*]

Senator Bryden: Mr. Minister, I do not have much more to ask. Our collective bargaining system, as we all know, is based on the fundamental principle of free collective bargaining and negotiations. Do you agree that workers have a right to strike, that is, the right to remove their services, and that the employer has the right to run its business? Those are basically the fundamentals.

The problem I am trying to get to is that, in this set of circumstances, those fundamental rights have very little weight. What is the value of the right to strike to these employees and what is the value of the right to lock out to their employer if, as soon as there is any real financial, economic pressure that comes to bear, those rights go out the window and everybody runs to Parliament?

• (1620)

[*Translation*]

Mr. Blackburn: Under the Canada Labour Code, there are three ways in which to proceed in the event of a dispute. First, there is conciliation, which involves appointing a conciliator who meets with the parties and tries to guide them towards an agreement.

When the conciliation process does not work, a mediator can be appointed. Once appointed, the mediator tries to help the parties reach an agreement. Lastly, following that process, arbitration is another possibility.

Generally speaking, the process works well. I would say that our mediation process functions well. Recently, representatives from Chile came to meet with us to receive training on our system.

In Canada, strikes do not go on indefinitely, but in this case, the dispute between the American unions and the Canadian union was preventing an agreement from being reached because, when one party was ready to agree, the other party was not. And when that happens, nothing is achieved. The dispute between the parties ended up poisoning the current situation, which is why we need Parliament to legislate.

I would like to reiterate that the bill clearly states that, if the parties wish, they may reach an agreement themselves, which is what we want. However, when an agreement cannot be reached, we must assume our responsibilities and we believe that arbitration will help move things along more rapidly.

[*English*]

Senator Bryden: When there is a legal strike, which this strike was, and conciliation and mediation have been undertaken and an agreement is still not reached, the final sanction to try to force agreement between the parties is a strike or lockout, whichever occurs.

In your presentation and your answers you have repeatedly referred to CN — and I assume you include CP as well — as an essential service in Canada. There are dispute mechanism procedures for essential services that do not include the right to strike or the right to lock out. For example, the final dispute settlement mechanism for firemen is binding arbitration in almost every instance. Some police forces are that way, as well as other emergency workers.

Since the railroads are an essential service, economically, would it not be better to amend the industrial relations act to cut out the strike-lockout provision and impose binding arbitration if agreement cannot be reached through conciliation or mediation? With that, the trains would continue to run.

[*Translation*]

Mr. Blackburn: Senator Bryden raises an excellent point and a societal debate. Unions and corporate representatives were consulted extensively about the Canada Labour Code, which was overhauled in 1999. Through conciliation, mediation and arbitration, the parties arrived at a consensus of sorts and agreed to allow strikes and the right to hire replacement workers. However, parties to a dispute often reach a consensus without resorting to conciliation, mediation, or arbitration.

A service is deemed to be essential under the Canada Labour Code when its withdrawal poses a danger to life or to public health. That is not the case for rail services and, in 2004, we submitted the matter to the Canada Industrial Relations Board which concluded that, according to the Canada Labour Code, rail services could not qualify as essential services.

To my way of thinking, the country's economy is vital. That is the point of the law. We must take action to deal with the current situation.

[*English*]

Senator Mercer: Welcome to the Senate of Canada. Thank you for being here. It is rare that a minister of the Crown has an appreciation of this place. We are extra happy to welcome you here and hope that you will spread the word of our good work to your colleagues around the cabinet table.

To put my question in context, there were five men in my father's family, his father and four sons. Of those five, my father was the only one who did not work for CNR. All the rest worked for CNR until retirement. I tell you that to explain my association with that railroad.

Also, I was at one time, for four years, executive assistant to the minister of labour for Nova Scotia, so I have an appreciation from your side of the table. I have a great difficulty with back-to-work legislation. However, I will support this legislation, and I want to ask a couple of questions to demonstrate why I will support it.

As a member of the Standing Senate Committee on Transport and Communications I have had the opportunity to travel across the country on a study we are doing on containerization. I have met, both on committee business and privately, with people who use containers to ship Canadian products overseas and with people who import products from overseas. In addition, the committee as a whole has met numerous farmers, manufacturers and people who run the ports.

I salute the government for following through with the Pacific Gateway initiative, which was started by the previous government. It is important to the economy of Canada that we continue to develop the Pacific Gateway. If I had more time, I would talk about the Atlantic Gateway, which is even more important to me.

The problem is that the reputation of the Port of Vancouver in particular has been called into question a number of times. When on a business trip to Taipei a year or so ago, I met with a number of business people who were concerned about the reputation of the Port of Vancouver as a result of a large number of labour disruptions. However, that problem had settled down until now.

A few weeks ago, the Senate Transport Committee was in Vancouver and met with officials from the Port of Vancouver, and we toured the facilities there. The port was strikingly congested. The next time honourable senators fly into Vancouver, look out the window as you come into the airport and count the number of ships sitting in the stream. Those ships are costing the people who are shipping products hundreds of thousands of dollars because they cannot dock at the container piers in Vancouver and be unloaded fast enough. All of that has to do with the development of the Pacific Gateway.

I read the legislation and did not see in it any reference to addressing the problem once this legislation comes into effect.

• (1630)

After the first disruption of service we were told that CN, who claimed to be servicing the Port of Vancouver, did not add a single train or extra car coming east to the Port of Vancouver to pick up the backlog.

What will this do for the reputation, not only of the Port of Vancouver, but the reputation of Canada as a trading nation when there is no commitment, as there was no commitment after that labour disruption?

I heard no comments to say that after this labour disruption, CN will do their duty and put on extra trains, put on extra service to relieve the backlog that is now being multiplied as we speak. Ships are being diverted to American ports or waiting in Vancouver for us to pass this legislation.

Is there anything in your discussions that could alleviate my fear and the fear of others in the industry that our reputation will continue to be tarnished because of CN's failure to address the backlogs caused by labour disruptions?

[*Translation*]

Mr. Blackburn: You have mentioned the Port of Vancouver, and I will read, in English, some of the facts that may be of interest to the honourable senators.

[*English*]

In the ten days since the strike began in mid-February, an estimated $730 million in cargo has been held up. The Port of Vancouver says it will take weeks to clear up the backlog even if the dispute is resolved quickly. Transport Canada estimates that the value of goods shipped through the Port of Vancouver is $146 million per day. The estimated average gross domestic product, GDP, impacts including containers is $4.7 million per day; grain, special crops and feed, $1.5 million per day; sulphur, $405,000 per day; bulk forest products $50,000 per day and vessels have significantly improved for the last week. At this moment they wanted to see the government acting and proceed with the law.

No one could say that this government or this minister did not say anything before we acted. I said many times publicly that this government would act if there was no agreement with the parties. That is what we did.

[*Translation*]

As for dealing with the backlog and putting on extra trains and extra service to help companies get through this, I would say that the situation is not the same now as it was in mid-February. It was much more difficult in mid-February than it is at present, but CN had already decided on a lockout. Things should improve. I think they realize that the legislation will be passed, if your chamber agrees to it.

I am also certain that my colleague, the Minister of Transport, Infrastructure and Communities, Mr. Cannon, will take a close look at this issue and that the parties may even discuss it in their negotiations.

[*English*]

Senator Mercer: Thank you, minister. I appreciate your comments. The statistics you quoted are probably news to some of our colleagues but not to us who sit on the Standing Senate Committee on Transport and Communications. We are aware of the critical nature of this problem and the need to solve this strike because every day Canadian jobs are being affected. These jobs are not only jobs in the manufacturing sector or in the transportation sector. These jobs are in Saskatchewan where pulse farmers are trying to ship their products to the Far East and because they are not being loaded on boats today, the quality of the product deteriorates every hour, every day. By the time it reaches the consumer at the other end, whether it be in India or China, the products are of little or no use. What may have been designed for human consumption ends up being used for feed, if that.

Minister, in the deliberations of the Standing Senate Committee on Transport and Communications my colleagues become bored with me asking the same question of every witness that has appeared before the committee with respect to this containerization study. Are there enough railcars servicing the

export industry in Canada? With one exception, everybody has said there do not appear to be enough railcars and they do not appear to be in the right location.

I come from Nova Scotia. One of your cabinet colleagues, Peter MacKay, also comes from Nova Scotia. I am concerned with Mr. MacKay's constituency and with some of his constituents. In Trenton, Nova Scotia, Mr. MacKay's riding, 350 people in the car works plant have had notice that their plant will close because of a lack of orders for railcars. People tell me in the transport committee that there are not enough railcars. I scratch my head and ask what is wrong with this picture. Last year the plant employed over 1,000. This year, as they are ready to close, there are about 350 employed.

Jobs are at stake in every province and in every community in this country.

Minister, I am concerned that while we are talking about returning these people to work, they will return to work and there will not be enough railcars in the right places to take the products from Vancouver, in particular to central Canada, or just as importantly, to take products from Nova Scotia, New Brunswick or Saskatchewan to the ports to have them exported.

Has this issue been discussed within your ministry or, as you have discussed, in this legislation? Getting everybody back to work with nothing moving and where the backlog stays in place for months to come will extend the agony.

The Chairman: If you have further questions you could come at the second round but we are not completed with the first round.

[*Translation*]

Mr. Blackburn: I am not insensitive to what you are talking about, because trains are used a great deal in the Saguenay-Lac-Saint-Jean area, where I come from and where we have the aluminum industry and Alcan, along with pulp and paper and forestry companies. I have heard similar comments before, but I can tell you that Mr. Cannon and I have talked about this issue, and I believe that he is not insensitive to it either. I believe that when he appeared before the Standing Senate Committee on Transport and Communications, this was brought to his attention again. You will understand that, as Minister of Labour, I have a different mandate, but I am also part of the government, and I appreciate your comment.

Senator Joyal: Welcome, minister. I listened carefully to your presentation, which reminded me of previous back-to-work bills we have debated concerning workers such as longshoremen and employees of other public services such as airlines.

I was trying to determine, from your presentation, what the difference is between this back-to-work bill and similar bills that have come before Parliament previously. If I understand you correctly, you are referring to paragraph 11(1)(*c*) of the bill when you say that within 90 days after being appointed, the arbitrator shall:

• (1640)

> (*c*) select, in order to resolve the matters remaining in dispute, either the final offer submitted by the employer or the final offer submitted by the union. . .

You pointed out that this clause is different from previous back-to-work bills Parliament has considered.

Why have you chosen to put this proposal forward rather than make one last effort to bring the parties together on the matters at issue? Why leave it up to the arbitrator to put a take-it-or-leave-it offer on the table?

It seems to me that back-to-work bills should support the negotiation process rather than force anyone to choose between black and white. It seems to me that the arbitrator should have a certain amount of discretion to select elements from the union's proposal and the employer's proposal, and to make a decision based on what he or she thinks is fair.

Why have you chosen to deviate from that format, which is the usual procedure, in favour of giving the arbitrator absolute power to select one or the other?

Mr. Blackburn: It is important to remember that the parties have been talking since September 2006. This has turned into a 19-month dispute. A major part of the dispute is salary-related. The good thing is that this issue can be resolved faster. Each party will try to ensure that its point of view prevails. If either party goes too far, its proposal will not be selected. We think they will reach agreement on a number of issues on their own.

We think that the parties should reach agreement on most of the points they will be discussing during the 90-day period, because they have already been negotiating for quite a while. Moreover, both parties know that in 90 days, the arbitrator will ask them what they agree on and what they do not agree on, and they will have to respond, which will motivate them to make a greater effort to agree rather than have the issues settled by the arbitrator at the end of the process.

We think that this is the most valuable aspect of this bill.

Senator Joyal: I thank you for pointing this out because, to my knowledge, unless my memory serves me wrong, I cannot remember any back-to-work legislation containing a provision as explicit as this on the selection by the arbitrator. I will give an example. You mentioned salaries. Let us suppose that the union asks for a five per cent increase, while CN offers two per cent. Normally, the arbitrator would make a ruling. He may say that, perhaps, three per cent would probably be reasonable. So, he arbitrates, he takes everything into consideration, and he makes a decision. What you are proposing is different. You are telling us that the arbitrator will choose either two per cent or five per cent.

I am wondering if it would not be in our best interests to maintain the arbitration process, which helps achieve a balance between the parties, because this is always what we try to preserve in a piece of back-to-work legislation. What this bill proposes is an exception to the bargaining process.

Why is it that, in this specific case, you feel it is fairer to give this power to the arbitrator, rather than giving him the option of arbitrating?

Mr. Blackburn: To answer your question, we have not invented the final offer. This process was used in 1994, for instance, in a dispute involving longshoremen at the Port of Vancouver. At that time, we proposed the final offer process.

We should also try to imagine this situation. They are at the end of the process, and one side wants a five per cent increase, while the other side is prepared to give a two per cent increase. The employer may say, I will use something that seems reasonable, without knowing if it will win, as an assumption. It might be better for me to be reasonable than to risk being perceived as being unreasonable by the arbitrator, who might then select the other proposal. As for union officials, they too will figure that if they go too far, the arbitrator will not retain their offer and will select the other one instead. So, it is in the best interest of each party to be reasonable and, moreover, to try to come to an agreement with the other party, rather than letting the arbitrator decide.

This works at all levels, and I think it is healthy, particularly in light of the fact that the parties have already been negotiating for 19 months. They have done a lot of work, and then there is the union dispute that I explained a little earlier.

Senator Joyal: I see that your officials were able to find a previous example in their archives. Did the dynamic you described in the case of the Port of Vancouver play a role? In other words, did the fact that the parties had to take it or leave it force them to agree and ensure that the arbitrator did not have to select the employer's offer over the employees"? Do you know how the dispute was settled?

Mr. Blackburn: In the case in 1994, the arbitrator in fact decided on the issue of salaries. The arbitrator decided.

Senator Joyal: I am not trying to be difficult; I just want to know what impact the dynamic can have in practice. We want the parties to negotiate.

What I have learned from how unions operate is that there is an attempt to keep the parties negotiating for as long as possible. In the case of Vancouver, in the end, if I understand correctly, the arbitrator chose between the union's proposal and the employer's proposal. Do you know which proposal he chose at the time?

Mr. Blackburn: You have me there. Unfortunately I do not know the answer. I do not know whether he selected A or B. Typically, this often drags on and there is no deadline. It has to end sometime. That is the purpose of the 90-day period, unless the minister grants an extension for a reason that would be considered valid at the time. We think that within the 90-day period they will agree on most items and maybe even on the issue of salary.

For your information as well, with respect to what was proposed in the offer that was turned down by 70.44 per cent of the union members, there was a 3 per cent salary increase effective immediately for one year with a $1,000 lump sum and a year to continue discussions. The parties decided not to accept the proposal in an 80 per cent vote. If the parties had decided that the employees would stay at work, that they would not cause disruptions and would continue to negotiate, our bill would not have made it past first reading stage.

As soon as the rotating strikes began, something had to change.

• (1650)

[*English*]

Senator Jaffer: Minister, I have listened to you all afternoon. I have enjoyed hearing what you have to say, but I also have a bit of a concern. My concern is that there is no doubt that people lose rights when they are forced to work. We are faced with making sure that our economy does not get hurt versus labour rights.

You have eloquently argued that the economy is threatened by this strike, with which I, of course, agree. Many industries and individuals depend on the railway, and other senators have pointed out that essential services in an emergency can be affected — and there are many examples of how essential services are being affected.

However, my concern is that the members of the union also have rights and the government has a responsibility to ensure that its efforts to protect the Canadian economy do not remove any reason for the company to negotiate with them in good faith. I understand — and you may correct me — that you have been unwilling to commit to amending the Industrial Relations Act to include rail services as an essential service, and the Canada Industrial Relations Board has ruled that it is not an essential service.

Minister, do you have any plans to review how the government deals with these types of national strikes, whether it is rail services or the transportation industry, to ensure that in the future we are better prepared to deal with these types of labour disputes, in a way that does not jeopardize our economy but also does not undermine the positions of unions dealing with companies that they believe are failing to negotiate with them in good faith?

[*Translation*]

Mr. Blackburn: First of all, this is the first time since 1997 that we have had to bring forward back-to-work legislation to guarantee a service such as this. Second, in response to your question concerning amending Part I of the Canada Labour Code, I would not recommend this to my government for the following reason. Since we are a minority government, it is extremely difficult to bring about any changes. First, Part I of the Canada Labour Code is vast, and second, we cannot amend one part of the Code and assume that the rest of it will still function. By amending one section, we are obligated to review all of it, somewhat like a puzzle. There are many pieces in the puzzle.

Under the current circumstances, it is not in my mandate, nor is it my intention as Minister of Labour to change Part I of the Canada Labour Code at this stage. However, Part III, concerning labour standards, is currently being examined. One professor has submitted 172 recommendations to improve it, and we are at the consultation stage. This is in the works, but not for Part I.

I talked about Bill C-257. People seem to think that, with a private member's bill, they can add something to the legislation and that it will work. You cannot change just one part. That would be like deciding to remove one part of the current legislation. That is not how it works. We must look at how it begins and how it ends. We have no intention of changing Part I of the Canada Labour Code at this time.

[*English*]

Senator Jaffer: Minister, I appreciate your candidness as well as your setting out some of your current challenges and why therefore you are not looking at a complete overhaul. I can understand that you may not be looking at presenting a complete overhaul to Parliament, but are you working on ways in which unions will not be affected in the future, a balanced approach, where the rights of employers and the rights of unions are in balance? Is your department working on a future plan that incorporates a more balanced approach?

[*Translation*]

Mr. Blackburn: Allow me to share with you a few of the recommendations made in the Sims report in 1995, at the time when an overhaul of the Canada Labour code was being contemplated. Following a comprehensive review of Part I of the Canada Labour Code, the task force recommended against any general prohibition on the right to strike or lockout and rejected suggestions to substitute arbitration for free collective bargaining in certain industries with the potential for high impact on the public interest.

I might add that the Canada Labour Code works; there is balance involved. The proof is that, if it has not been necessary to legislate since 1997, it is because each time there was a dispute or a collective agreement expired, the parties were able to come to an agreement. Sometimes agreement is achieved quickly; other times, it can take longer. Occasionally, the use of conciliation, mediation or arbitration services is necessary, but it works.

The only time there have been problems is whenever employers used replacements workers in the event of a strike. That is always what creates problems and raises concerns.

On 19 occasions, complaints were filed after an employer used replacement workers. Thirteen out of these nineteen times, the parties agreed to withdraw the complaints filed with the Canada Industrial Relations Board. Three other complaints were ruled unfounded, as it was established that the actions taken were not designed to undermine the union's representativeness. Three more complaints are still under review at the Canada Industrial Relations Board. So, this boils down to six, if we add three and three. All in all, if we consider the situation since 1999, this goes to show that the Canada Labour Code and the provisions in Part I, which were developed by the previous government, work.

One can always find exceptions. If anyone can come up with the ideal method, I am prepared to look at it.

[*English*]

Senator Gustafson: Honourable senators, what comes to our attention is the tremendous challenge of transportation in a country like Canada, where we are landlocked with so many miles to maintain. At one time we had, according to *The Western Producer*, 31 ships in the bay waiting for grain. Therefore, I wish to take this opportunity to thank the honourable minister for the quick action he and his government have taken to get things moving. I believe I speak not only for the farmers, but also for all of the people who are affected as well, and we say thank you to the honourable minister.

Hon. Senators: Hear, hear!

[*Translation*]

The Chairman: On behalf of all the senators, I would like to thank you for coming here today to help us with our work and I would like to thank your officials as well. Good luck.

Mr. Blackburn: Thank you, Madam Chairman. It was truly a first for me to come and meet with you in the Senate.

Moreover, I am sitting in the seat belonging to my colleague, Senator Fortier, number 58. Thank you all and I hope that the information I provided could enlighten you to help you make this decision, which is now in your hands.

• (1700)

Senator Tardif: Honourable senators, I would ask that Glen Gower, President of Section 483 of the United Transportation Union, be invited to join the Committee of the Whole proceedings.

The Chairman: Honourable senators, is it agreed?

Hon. Senators: Agreed.

The Chairman: I invite Mr. Gower to take a seat.

[*English*]

Mr. Gower, welcome to the Senate. I invite you to make your opening remarks and then senators will ask you questions.

Mr. **Glen Gower, Local 483 Chairman, United Transportation Union:** Thank you very much. It is an honour to be here. I appreciate the invitation. I hope I can enlighten you.

I am local chairman of the United Transportation Union. I represent approximately 250 members in Toronto. When we went on strike in February, we maintained the GO Trains and the Montreal trains, the commuter services. We understand how essential that service is to the economy and to the people. We do not want to disrupt the lives and the economy of the country. When we worked during that period of time, my members donated 50 per cent of their earnings to The Hospital for Sick Children, totalling approximately $71,000. We presented that to Sick Kids.

We have an internal union problem at this point, unfortunately. Approximately 80 per cent of the members have signed cards to go to the Teamsters. The Canada Industrial Relations Board, CIRB, is receiving submissions on that up until this Friday, after which point they will make a determination as to whether there will be a runoff vote or whether we will have our right to self-determination. Hopefully, things will go that way. We will then have the representation we need after that point — and not necessarily with the Teamsters. We will have proper representation; that is, duly elected people to represent us and not people who have been appointed or put into positions somewhat reluctantly.

These people who are called our leaders right now within the union do not speak on behalf of the members. This is our problem. We need a period of time to have a representational vote and to put the right people in place who will speak for us, whoever they may be.

There are no UTU members currently on strike in this country. We have approximately 150 UTU members locked out in Vancouver and Kamloops. Approximately 20 members are locked out in Oakville, Ontario. Yesterday, I approached CN senior managers with a signed document, from all the 20 members who were locked out, requesting that they be allowed to return to work and stating that they would not entertain any further strike action, nor would they participate in any further strike action or honour any picket line. CN has yet to respond as to whether these people can go back to work.

There is no "on strike." These people are locked out. They want to go to work. The trains are running, as they always have — even during the strike in February. Yes, there were no conductors or brakemen working. CN managers were filling in for us. No, that is not an ideal situation, but the trains were still working. The railway did not grind to a halt.

Comments were made here earlier about the agreement that was presented to us at the end of the strike. That agreement was simply a one-year extension of the current agreement. It did not address any of our issues. Our issues concern our quality of life and our safety. These issues are key. This strike was never about money. Contrary to what some media have reported, it is not about money.

Here are some of our issues — and I will not go through the list of demands. Our members who work outdoors in the yard, in all kinds of weather, night and day, are given 20 minutes to have a meal. That is not 20 minutes to sit down and eat. That is 20 minutes from the time the engine stops moving until the company expects the engine to start moving again. If members take longer than that, they are disciplined. I have represented employees who were disciplined for that. However, 20 minutes is unrealistic. It is unsafe. Members need time to go in and warm up out of the inclement weather and have a coffee and something to eat. This issue is one of our big ones. We want more than 20 minutes. These are safety issues, quality of life issues, more time at home.

• (1710)

I have a 2-year-old son. When I go out on a freight train, I am away from my home usually in the neighbourhood of 24 hours, sometimes more, sometimes less. When I get home, I am tired, I need to sleep, but I am due back to work generally within 24 hours from the time I get home. I am expected and I must be well rested by the time I return to work.

We want to maintain what we currently have and possibly do a little better. The offers that were put to us during the negotiating period were to take those rights away, diminish them or make concessions on them.

I listened with great interest yesterday as members in the other place discussed this issue. There was much discussion around safety on the railways. I do not think the people that were discussing it realize that safety issues are things we are trying to negotiate, trying to get through collective bargaining.

The railway is a very unforgiving environment to work in. You do not get minor injuries; you lose limbs, you get killed. It is very unforgiving, especially if you are tired, cold or have not had a chance to get out of the elements.

Another issue that was of great concern deals with yard employees. They are subject to stand out on what we call the "point" of a locomotive, going back and forth in the yard in the middle of the night in freezing cold. There is a locomotive cab that they could go in, but the company has deemed that they cannot anymore or they will be disciplined. They stand out on the point of this locomotive, freezing cold. If they go inside, they will be disciplined. For up to five hours these people go back and forth in the wind under fear of discipline. If you left your dog in the freezing cold, in the wind, the humane society would take that dog away, or I would hope they would.

This is encouraged. This legislation, if it is passed, and it appears to be going that way — I am not afraid of the legislation, I am not afraid of the process. I am afraid of what it does for the future and our ability to bargain collectively. The next time we go into contract negotiations the company may say that they know we will just be legislated and forced back, so they have no need to bargain collectively and properly. This is a genuine concern to myself and the members.

We speak of safety for the public. Unfortunately, there has been a large number of derailments of CN trains for various reasons. There is a concern of fatigue with our members, engineers, train men and conductors alike, yet there seems to be a push to increase the amount of hours that we are allowed to work. There seems to be a push on all sides to allow us or legislate us to work longer and take away our rights to book rest. This is not in anyone's best interests. It certainly is not in the interest of public safety. We haul dangerous goods — hydrochloric acid, ammonia — through the large and small communities across this country. You need to be wide awake and alert at all times. Things happen very quickly.

Our members are on call 24 hours a day, seven days a week, 365 days a year, with the exception of vacation time, obviously, and what we have gained through negotiations in the past. If an employee misses a call for work, one single call, they are brought in and disciplined. If that employee, for whatever reason, is too tired to go to work, is so tired that they do not hear the phone ringing, they are disciplined for that.

Our issues are about quality of life and safety. The railway is running as we speak. All of our members are at work. There is no one on strike. The only members who are not at work are the ones who are locked out. I fail to see the reason for back-to-work or continuing work legislation at this point.

I appreciate the opportunity I have been given here. If I can answer any of your questions, please feel free to ask.

Senator Di Nino: Mr. Gower, thank you for your comments and welcome to the Senate. I am from Toronto, so I am a little more aware of the things that you have done, particularly your generous contribution to the Hospital for Sick Children.

I have one clarification. You are the chairperson of the UTU Local 483; is that correct?

Mr. Gower: Yes, sir.

Senator Di Nino: This evening you are making a presentation to this committee. Are you making a representation on behalf of UTU and the union?

Mr. Gower: Yes, sir. I am here on behalf of my local and GC 105, which is basically everything east of Winnipeg.

Senator Di Nino: Your representation today is wider than just Local 483; it includes others, as you said, east of the Manitoba border?

Mr. Gower: Yes. We had a conference call last evening of all of the local chairman in our general committee. It was discussed and I am here as spokesperson.

Senator Di Nino: I appreciate that. I may come back for another question later. I just wanted to put that on the record.

Senator Banks: Mr. Gower, welcome to the Senate. Thank you for your statement. You said that none of your members have walked off the job. I gather that there is not a picket line anywhere; is that so?

• (1720)

Mr. Gower: To the best of my knowledge, there is no picket line anywhere. I cannot speak specifically for Vancouver and Kamloops, as I have not been there, but, to the best of my knowledge, there are no pickets set up.

Senator Banks: Is it the case, so far as you know and in the area that you represent, that trains are moving in a way that an outsider would say is normal?

Mr. Gower: Yes, absolutely. I run freight trains between Belleville and Montreal and Toronto; those trains are running as normally as ever. I know the members in Sarnia and up north. Those trains are running normally.

Senator Banks: Your union is in a position, I understand, legally to strike and, therefore, to walk off the job and, therefore, to put up picket lines, I presume, and to stop trains from running. Is that so?

Mr. Gower: Yes, we are. There is some question as to whether we are legally in a strike position. That is a separate issue. Again, all of the local chairmen in GC 105, which is everything Ontario and east, have signed a paper, directing our international officers, our general chairman and vice-president, that we will not participate in any strike activity if certain conditions are met, and one of those conditions is returning to the bargaining table and making a concerted effort to address our demands and our concerns.

Senator Banks: The people that you represent have determined, and you are telling us here today, that you will not go on strike?

Mr. Gower: Yes. We have all agreed that we will not go on strike, hopefully not at all, but at least until certain terms have been met. I do have a copy of that letter; but it was out in the public.

Senator Banks: I am just trying to determine what the trigger is. You would not strike until or unless what happens? What would trigger a strike?

Mr. Gower: We directed our vice-president, who has been appointed our general chairperson right now, to go back to the bargaining table and attempt to get a collective agreement. Failing that, he would have to speak to all of the local chairmen, as a group, and get a consensus on what action would need to be taken at that point. There are certain other points; I am more than happy to give you a copy of this letter.

Senator Banks: I do not know if that is in order; Madame Chair can make that determination.

If you were to go back to the bargaining table, would wages be one of the issues that would be discussed at that table?

Mr. Gower: Wages are always discussed, but that is not one of our big issues. Wages are always there. I have been told by many members that if we could address many of the safety issues they would forego a wage increase. Quality of life is the concern.

Senator Banks: What does "GC" stand for?

Mr. Gower: General committee.

Senator Jaffer: Thank you very much for your presence here. I do not know if you were here when the minister was speaking and whether you heard his comments.

Mr. Gower: Yes.

Senator Jaffer: My concern, which I expressed to him, is that the rights of unionized workers be balanced with those of the employers. He informed me this type of situation has not existed since 1997, that things have been working out fairly well. Do you agree with that statement?

Mr. Gower: I did make some notes to that point. Thank you for reminding me.

I am not sure which senator made the comment regarding reaching an agreement in a reasonable time frame. We have been given approximately five to six months this time around. Last time around, it took 18 months for us to get a collective agreement. What is a reasonable amount of time? I do not think we have reached it yet. The last time, when we took 18 months to get the collective agreement, there was no threat of back-to-work legislation. Mind you, we had not gone on strike, either, but there is always the threat of a strike, as there is now. We have gone back to work, and there are assurances that we will not go out for the foreseeable future.

You are correct. I feel our rights will be jeopardized if this proposed legislation is passed. This proposed legislation is unnecessary at this point. I understand everyone's concern for the economy; however, even when we were out on strike, the trains were running — not at 100 per cent capacity, but they were running. I do not know if that fully addresses your question.

Senator Jaffer: I understand that, in the last few years, there has been increasing tension. Perhaps that may also be because of a change of management. Is it correct that there has been increasing tension? The minister said that there has not been a strike situation since 1997. Maybe I misunderstood him. Is that correct? What brings us here now, according to you?

Mr. Gower: I understood there has not been back-to-work legislation since 1997.

Senator Jaffer: Yes, you are right.

Mr. Gower: We have successfully negotiated at least three contracts since 1997, through collective bargaining with our duly elected representatives.

Senator Jaffer: Maybe you said this, but would you repeat what has transpired such that we have arrived at the situation where we have come to back-to-work legislation?

Mr. Gower: There is an internal conflict within our union, unfortunately. I explained the representational vote, the CIRB, coming very soon. We need that very much, to ensure any kind of harmony within the workplace.

Senator Phalen: I have just a couple of questions. At the beginning, I think I understood you to say that your leadership was appointed. Why would it be appointed and by whom would it be appointed? Did you say initially that your leadership was appointed?

Mr. Gower: Yes, sir.

Senator Phalen: Who is it appointed by?

Mr. Gower: By the international president, when our duly elected representatives were removed at the CIRB hearing in Montreal.

Senator Phalen: When you talk say "international," you are talking about the Americans.

Mr. Gower: Yes, sir.

Senator Phalen: In many public service unions, arbitration is used as the dispute-settling mechanism. You indicated that you had a fear of arbitration. Would you mind telling me why? Are you afraid of arbitration as a method of resolving disputes?

Mr. Gower: I think you may have misunderstood. I said I am not afraid of the back-to-work legislation.

Senator Phalen: It is not back-to-work legislation that I am talking about. What they are recommending is that the dispute-settling mechanism will be binding arbitration.

Mr. Gower: I believe what I said, and possibly it was misunderstood, was that I am afraid of what this will do in the future.

Senator Phalen: What do you mean by that?

Mr. Gower: My fear is that, in the future, collective bargaining possibly will be jeopardized, because the company and/or the union, either party, could now say, "It does not matter. What do we have to lose? We will just get legislated back, and this will be the end result anyway."

Senator Phalen: That is not how it was explained to us. They are not legislating you back; they are resolving it by an arbitrator. If the sides do not agree but are not too far apart, I suppose they will try to reach a consensus on most points. At some point in time an arbitrator will meet with the parties and make a final decision; is that the mechanism you have a problem with?

• (1730)

Mr. Gower: No, I do not have a fear of that. My concern is about the motivation to bargain collectively and in good faith. I see it on the part of the union. We want certain things. We want to get a collective agreement and we want to use collective bargaining as a means to reach that end.

Senator Phalen: I was president of a number of large unions and for many of them arbitration was their means of dispute settlement. My only great concern with that was the cost of it. It became very costly and the legal people were making a fortune on it. However, the method seemed to work.

In the end, the union with which I was involved got full collective bargaining under the trade union act in Nova Scotia. However, they worked under the arbitration system for years.

I understand that you will be classified as essential services. Would you not consider arbitration as a means of settling your disputes?

Mr. Gower: We currently use arbitrators in the grievance process and, yes, they do become costly, as does legal counsel. However, I do not think that is the best way to proceed for a contract.

Senator Bryden: Thank you for coming. You were asked by Senator Jaffer why, after three or four negotiated contracts since 1997, we have come to this situation of considering back-to-work legislation and a method of imposing a contract. I believe your answer was that it is because you have a problem with your union. Can you describe what that problem is?

Mr. Gower: There appears to be a fear among some of the senior people within the union that we could possibly be raided and go to the Teamsters, leaving the United Transportation Union. The concern appeared to be so great that there was almost a panic by certain people to get us out of the open period, and I do not think they acted in our best interests or in the best interests of the members. I am not alone in that sentiment.

Senator Bryden: Are you out of the open period now?

Mr. Gower: Again, that is debatable. I believe that would be up to the CIRB to decide.

Senator Bryden: I am curious about why the employer, other employees of the employer, and the people who depend on your employer and your people to move billions of dollars worth of goods across the country, should suffer because you have trouble with your union. Why do you not fix it? That is not an excuse that works for the public, and it certainly does not work for me. If your union and your membership, under whatever guise, cannot manage a collective bargaining situation without ending up with rotating strikes that back up railway cars and keep ships tied up and costing $300,000 a day, if people are not lying to us, because they cannot be loaded or unloaded, why should the Canadian public have to pay for that?

Mr. Gower: You are absolutely right; the Canadian public should not have to pay for it. We are actively trying to resolve this. We are seeking assistance from the CIRB. Things are just not happening fast enough, unfortunately. I do understand. We have done our best to minimize any harm to the public. With any strike there will be some economic sanction. That is the whole idea of a strike. At this point, we are not willing to continue any strike action. We are back to work. We will continue working in good faith. We want to negotiate an agreement.

Senator Bryden: Does that include all the people who have been involved in the strike action, regardless of what they call themselves, Teamsters or the old union or the new union? It is my understanding that a rotating system is being used, which is very costly because you do not know whether you can staff up to run the system today or whether you will have employees at a certain location for two or three days. Almost any employer would say, "I have had enough of this. I am shutting down."

I have no particular love for employers, but the employer is expected to deliver the goods. Many people who rely on them are pressuring them. It is affecting the general public. Ministers of the Crown and governments do not enter into back-to-work legislation happily or when any other reasonable method is available. We have been able to avoid that for almost 20 years.

You have a hard sell. Your mother union in Cleveland does not want to give up control, but as a result it can almost strangle east-west movement on our railroad bloodstream here in Canada. I suggest that someone try to do something extraordinary to get that going. Until that time, we as legislators, to whom the people of Canada look to deal with situations exactly like this, cannot fail to act.

I did not mean to lecture you.

Mr. Gower: I appreciate what you are saying. The local chairman and the members are trying to do that. We have committed to continue the operation in the eastern half of Canada, at least, which is all I can speak on behalf of.

We have committed to continue working. We will not be participating in any strike action. We are not taking direction from the international. We do not believe that they speak on our behalf.

• (1740)

Senator Bryden: May I just ask one more question? Why is there no one here from west of the Ontario border? There is much of Canada out there that I do not think you may be in a position to speak for. Where are these appointers?

Mr. Gower: Do you mean where are they today?

Senator Bryden: Yes, today. It cannot be very important to them.

Mr. Gower: They are all in Cleveland.

Senator Bryden: That speaks for itself.

Senator Tardif: I wanted to respond to Senator Bryden's question. When we received the information that we would be receiving the bill today, it was indicated that only the minister would be invited, and so our side pressed very hard to have some hearings and to have some people from the union side. It was very late last night when we were apprised of it. We did the best we could in the short time period available.

Mr. Gower: This is the best, you call it?

Senator Tardif: We appreciate you coming. Thank you.

Senator Nolin: Do I understand that you were in Ottawa yesterday watching the debate in the House of Commons?

Mr. Gower: No, I was in Toronto trying to get the Oakville members back to work and I watched the debate from Toronto and drove up today.

Senator Joyal: I understand that you would have read the proposed legislation that is under consideration in this chamber today.

Mr. Gower: I was given a copy a short while ago. I did not have a copy of it prior to that. I have looked through it since, yes.

Senator Joyal: My question is in relation to clause 11, which is on page 4 of the bill, if you want to refer to it. The way I understand clause 11, it gives the parties 90 days to provide a list of two sets of issues to the arbitrator; one list of issues on which they agree, and another list of issues on which they do not agree. On the list of issues on which they do not agree, they give their final offer. According to clause 11(*c*), the arbitrator will decide which parts of the final offer, from the union or the employer, he or she will select.

We had an explanation from the minister that this system that allows the arbitrator a take it or leave it position would put pressure on the parties to improve their final offer in the best way possible so that it would be retained by the arbitrator. In some instances, the arbitrator would study the two final offers and he or she would arbitrate. He could decide to split the pair in the middle.

You have told us that the major issues at stake in the present conflict relate to safety.

Mr. Gower: Yes.

Senator Joyal: If this is the fundamental issue of disagreement for a collective agreement to be concluded, how can an arbitrator choose the final offer between A or B? Safety is something that is not black and white, one must arbitrate. One must make a judgment. Probably a fair balance, as I say, is in the middle of some sort.

Mr. Gower: Yes.

Senator Joyal: Were you not concerned that the proposal to end the conflict would be difficult to achieve in the present circumstances?

Mr. Gower: Yes, but if this passes, as it appears it will, I hope that we have elected representatives to deal with this for us. They should be put in a position where they can negotiate properly with the company, in the members' best interests. We do not wish to end up at the end of 90 days with an arbitrator having to decide. I sincerely hope that will happen.

Senator Joyal: Do you think that the period of 90 days is long enough to allow the representatives with the proper mandate to negotiate on your behalf?

Mr. Gower: If I had the opportunity to amend this bill, I would say that upon completion of the CIRB ruling and whatever they deemed fit. This could be a representational vote or signing us over to another union or leaving us where we are once that is determined and complete.

Senator Joyal: Is it not one of the key arguments to determine a period of 90 days that everyone must come to terms with as described by Senators Bryden, Banks and Gustafson earlier this afternoon in this chamber? Ninety days seem to me, on the basis of what I know of collective agreements, a reasonable period to achieve the process that has been started. You mentioned this yourself, some six months ago.

Mr. Gower: Yes, to go through just this process, three months is probably reasonable, but we need that representational vote or ruling prior to that three-month period.

Senator Joyal: On the other hand, the authority has to take into consideration that there is a 90-day period in this legislation. That would be a factor for that body to come forward with a decision within the time frame that is contemplated in this legislation.

Mr. Gower: I would hope so.

Senator Joyal: That could be helpful, in other words, for you to get a final decision; is that correct?

Mr. Gower: It could be. It could be detrimental. It depends who is there making the decisions.

Senator Joyal: On the other hand, a decision has to be taken by the representatives of the union so the bargaining process can start normally as you hope it will. That is why there are decisions and that is why there are deadlines that are contemplated because it cannot be prolonged forever, considering the impact it has on the general Canadian economy.

Mr. Gower: Perhaps I am not making clear what I am saying, and I apologize. If the date was set, we will say all the submissions must be in to the CIRB by this Friday. In all likelihood, they will rule, I am guessing, within a week. If they say, "You will have a representational vote," there is a period of time involved in that, as I am sure you are aware. It could be two weeks, a month, six weeks, whatever they deem. In the interim, it would be improper to have anyone attempting to negotiate for us. This is why I am saying we need that representational ruling prior to this process starting.

Senator Joyal: On the other hand, this bill, if adopted, would put pressure to act with the shortest delay possible to have the collective process take place within the framework of the 90 days.

• (1750)

Mr. Gower: Yes, it would, but we do not know who will be negotiating for us.

Senator Joyal: I understand the chicken-and-egg situation in which you are caught in a way; that is why we are all here trying to wrestle with this issue to ensure that we are as fair as possible, as much for the employees as for the Canadian public, who bear the consequences of the situation in which the union and the employer find themselves caught. It is a very difficult situation to determine who will be negotiating on your behalf.

Mr. Gower: I know this letter I am holding up is not enough assurance to convince the people of Canada that we will never go out on strike — that we will not possibly go on strike at a later time. The amendment that I would love to see in this is that the time frame start after the ruling on representation is made; and that we just remain with the status quo — not necessarily the status quo, but under the current or just expired collective agreement — in the interim. The terms and conditions of that collective agreement would remain in effect until such time as the representational rule is finished.

Senator Bryden: My colleague, Senator Joyal, makes a very good point in the sense that the 90 days does put some pressure on the decision-making body to try to do what you are asking for as quickly as possible. Unfortunately, that board is a quasi-judicial board so it is not up to us to fiddle around with it. However, it is a place where your organization might press the labour department to urge what you are discussing.

The other thing that we need to keep in mind is that the back-to-work legislation takes effect basically 24 hours after the proclamation that will likely happen this afternoon. During this period, you are still working, the employer is prohibited from preventing people from going into work and there are no more lockouts.

There also is a provision — and I raise it more to draw to your attention, if you had not noticed it — which the minister talked about this afternoon, that while there is a 90-day period, there is also the opportunity for the government to extend that period of 90 days for a further period of time, depending on the circumstances. Therefore, if getting your act together takes a whole month out of the 90 days, you might well get them to extend the period of time. Clause 11(1) allows for that.

In the meantime, as far as our being concerned about your going out on strike, the first operative clause of the bill says nobody can go on strike, and no one can lock out; anybody that does that is subject to fines and so on. That is very useful in a situation that you are in to try to get your act together. However, do it as quickly as possible; we do not like doing this any more than you like having it done to you.

Mr. Gower: I appreciate that. My concern is still that the people who are in the position of leadership right now do not necessarily speak for the membership. Their motives are — I am trying to be tactful — questionable. If we had until there was a representational ruling before any of this took place, it would stop any kind of questionable antics happening. That is my concern.

Senator Banks: I have a couple of questions. You said that the people who are representative of railway men — and I mean that generically — west of Winnipeg are in Cleveland. Are they there at meetings or do they live in Cleveland?

Mr. Gower: Perhaps I misunderstood. Our union representatives — our Canadian legislative director and our vice-presidents, who are now currently our general chairpersons — are the senior executives, at least in title, in Canada. All of them are in Cleveland as we speak.

Senator Banks: Doing what?

Mr. Gower: They are having a hearing over the duly elected general chairman. This is part of our problem. This is why we need the representational ruling before we move anywhere.

Senator Banks: Whatever we decide, I hope that you will leave here understanding that the question you raise, having to do with problems that are internal to the union and the workers, is a separate one that is not before us.

Mr. Gower: I understand that.

Senator Banks: What is before us is a bill that takes into account the present situation, notwithstanding that there might be problems in who represents whom as far as the workers are concerned. I presume that that is the kind of thing that is being dealt with by the CIRB.

Mr. Gower: Yes, sir.

Senator Banks: The coincidence of those two things being in place at the same time is unfortunate. However, please understand that we must deal with this bill that is before us, which takes into account, as we have heard, losses that occurred to the Canadian economy in February for a while and some that have begun to occur even now. Industries other than the railway have looked at the situation and said this is too dangerous for us to continue producing at the levels at which we are producing, given just-in-time delivery and those kinds of considerations. I know you know all that far better than I, but it is a separate consideration.

I want to ask a hypothetical question, looking again at clause 11 and the provisions of clause 11(*c*) on page 4. I gather from what you say that a reasonable person concerned for safety would say that some of the things that are being asked for by the employer in this case are unreasonable, and ought not to be put into place because they would place safety of the public and of the workers in jeopardy.

In the method that is contained in this bill, as Senator Joyal has described it, an arbitrator will decide in the case of those instances in which there is not agreement. For the sake of my hypothesis, let us assume the turnaround time is a question that has not been resolved before the 90 days are over, that the railway wants a shorter turnaround time and the workers want either a longer time or the present turnaround time.

I think most of us are relying on the fact that an arbitrator opening the two envelopes and having to choose between them without modification, will look at one and say, "That is unreasonable," and look at the other and say, "That is less unreasonable" and pick that one. That is how this process is designed to work. It is designed so that in those cases that have not been arrived at and agreed to at the eleventh hour, the last position that is put into those envelopes by the employer and the workers will suddenly become much more reasonable in the fear that if it is seen by the arbitrator to be unreasonable, it certainly would not be picked.

• (1800)

Does that give you any confidence in respect of the resolution of those kinds of things?

Mr. Gower: On certain issues, yes. Going through several issues in my head, I can present scenarios where I could make it appear to be reasonable but, in fact, it is not, on such things as hours of service, rest, regulations, time off and turnaround time.

An arbitrator may give the option of staying with what we have now, which includes the right to book rest after 10 hours and taking up to 24 hours at the home terminal, but the company wants all those rest provisions gone. That is one of their concerns. They want the rest of the provisions gone and they want the Hours of Service Regulations to take effect.

The Hours of Service Regulations, as you may be aware, are essentially a minimum standard. I would not want to live with those standards day in and day out. However, I could make it appear as though it is not so bad.

Senator Banks: Thank you for that answer. I take some comfort from the fact that I assume the arbitrator will be a well-informed person and would be able to see through those things. I hope that that is so.

Mr. Gower: I certainly hope so, too. Thank you.

The Chairman: I do not have any other senators on any list.

Mr. Gower, on behalf of all senators, I want to thank you for joining us today to assist us with our work on this bill.

Mr. Gower: Thank you very much for having me. I appreciate it and it is an honour.

[*Translation*]

The Chairman: Honourable senators, is it agreed that we proceed with the clause-by-clause study of Bill C-46, to provide for the resumption and continuation of railway operations?

Hon. Senators: Agreed.

The Chairman: Shall the title carry?

Hon. Senators: Carried.

[*English*]

The Chairman: Shall consideration of clause 1, which contains the short title, stand postponed?

Hon. Senators: Agreed.

The Chairman: Shall clause 2 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 3 carry?

Hon. Senators: Agreed.

[*Translation*]

The Chairman: Shall clause 4 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 5 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 6 carry?

Hon. Senators: Agreed.

[*English*]

The Chairman: Shall clause 7 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 8 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 9 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 10 carry?

Hon. Senators: Agreed.

[*Translation*]

The Chairman: Shall clause 11 carry?

Hon. Senators: On division.

The Chairman: Shall clause 12 carry?

Some Hon. Senators: Agreed.

The Chairman: Shall clause 13 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 14 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 15 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 16 carry?

Hon. Senators: Agreed.

[*English*]

The Chairman: Shall clause 17 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 18 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 19 carry?

Hon. Senators: Agreed.

[*Translation*]

The Chairman: Shall clause 20 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 21 carry?

Hon. Senators: Agreed.

The Chairman: Shall clause 1, the short title, carry?

Hon. Senators: Agreed.

[*English*]

The Chairman: Shall the title carry?

Hon. Senators: Agreed.

The Chairman: Shall I report the bill without amendment?

Hon. Senators: Agreed.

[*Translation*]

The Hon. the Speaker: Honourable senators, the sitting is resumed.

REPORT OF COMMITTEE OF THE WHOLE

Hon. Rose-Marie Losier-Cool: Honourable senators, the Committee of the Whole to which was referred Bill C-46, to provide for the resumption and continuation of railway operations, has examined the said bill and has directed me to report the same to the Senate without amendment.

THIRD READING

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

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, with leave of the Senate and notwithstanding rule 28(1)(b), I move that the bill be read the third time now.

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

Hon. Senators: Agreed.

Senator Comeau: Honourable senators, I move that we proceed immediately to third reading of the bill.

The Hon. the Speaker: It was moved by the Honourable Senator Comeau, seconded by the Honourable Senator Di Nino, that the bill be read the third time now. Is it your pleasure, honourable senators, to adopt the motion?

Hon. Senators: Agreed.

[*English*]

Hon. Serge Joyal: Honourable senators, I will be brief as well. I want to echo the question that I asked the minister and the witness on clause 11(1)(c) of the proposed bill. I want to put it at third reading because it is an important provision for its implication in the future for back-to-work legislation.

As has been stated in testimony, with some issues it is easy to choose between two proposals, especially monetary issues. Other issues might be the object of disagreement between a union and an employer where arbitration is needed because it is not essentially a money issue. There are issues, for instance, as the witness mentioned, relating to safety or security whereby there are two proposals and the middle ground sometimes seems the best option to arbitrate. That is why there is arbitration. Arbitration calls upon the judgment of a person with experience. However, when what is essentially done is the opening of envelope A and envelope B, it is not arbitration. That is what I call a simple, mechanical operation of disclosing offer. This is not arbitration within the true meaning. In the context of a collective agreement and the maintenance of negotiation, it is important that the principle of arbitration be maintained.

Of course, this bill makes a proposal that has been used in the past, as the minister said, in 1994 in the longshoremen's strike in Vancouver Harbour, but the points raised by the witness have some merit. There is no question that in resolving a dispute of the nature with which we are faced, I believe the role of arbitration in its true meaning still has impact and importance. We should recognize that fact because in the future, when faced with similar legislation, and I hope not soon, we may have to pay attention to that role to ensure a fair settlement in the end and that we rely on the arbitration judgment and the capacity to balance the two views to reconcile those views in the best interests of the employers, the employees and the public generally who must bear the results and consequences of a conflict.

That point is essentially what I wanted to put on the record. I thank honourable senators for their attention.

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

Hon. Senators: Question!

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

Motion agreed to and bill read third time and passed.

[*Translation*]

BUSINESS OF THE SENATE

Hon. Claudette Tardif (Deputy Leader of the Opposition): Honourable senators, with leave of the Senate, I move that the Clerk of the Senate be authorized to pay reasonable travel and accommodation expenses for the witness who appeared before the Committee of the Whole earlier this day, subject to the Senate guidelines for witness expenses.

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

Hon. Senators: Agreed.

Motion agreed to.

• (1810)

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I ask leave of the Senate to proceed with consideration of Bill C-293 on the Order Paper under Commons Public Bills, followed by Motion No. 169 standing on the Notice Paper in the name of the Honourable Senator Kenny.

OFFICIAL DEVELOPMENT ASSISTANCE ACCOUNTABILITY BILL

SECOND READING—DEBATE ADJOURNED

Hon. Roméo Antonius Dallaire moved the second reading of Bill C-293, respecting the provision of official development assistance abroad.

He said: Honourable senators, it is late, but given this opportunity, I think it is critical that we move forward on this bill.

[*English*]

I should like to call the attention of the Senate to the presence in the gallery of some very strong and consistently supportive representatives of the NGO, namely, the Canadian Council for International Co-operation, an umbrella group that was behind the Make Poverty History campaign and who represent more than 100 Canadian voluntary sector organization NGOs and a few thousand Canadians involved in volunteer work with these NGOs. Thank you for remaining.

Honourable senators, it is my pleasure to introduce second reading in this chamber today of Bill C-293, respecting the provision of official development assistance abroad.

This bill calls for greater consistency, transparency and accountability in the provision of our foreign aid to developing countries. It asks our Parliament to create a legislated mandate on official development assistance — ODA — that Canada reports to the Development Assistance Committee, DAC, of the OECD in the appropriate fashion. ODA is only a portion of the broader international assistance envelope that Canada dedicates to other countries. Such a legislative mandate through this bill will ensure that our ODA will have poverty reduction as an exclusive goal.

Bill C-293 defines ODA according to the definition of the DAC of the OECD but encompasses unique Canadian features. As Bill C-293 states, ODA should be:

> . . . administered with the principal objective of promoting the economic development and welfare of developing countries, that is concessional in character, that conveys a grant element of at least 25 per cent, and that meets the requirements set out in section 4; or
>
> (*b*) that is provided for the purpose of alleviating the effects of a natural or artificial disaster or other emergency occurring outside Canada.

Clause 4 of the bill specifies the three features that Canadian ODA should be meeting. Canadian ODA should be provided to developing countries only if the competent minister is of the opinion that it:

(*a*) contributes to poverty reduction;

(*b*) takes into account the perspectives of the poor; and

(*c*) is consistent with international human rights standards.

This opinion shall reflect that of society organizations as well.

The main purpose of this bill is to ensure that our Canadian ODA goes exclusively to the neediest of our planet, namely, those living in poverty, and avoid being used to satisfy our national interests as a foreign donor.

Allow me to explain to you the raison d'être behind this bill. Since 2001, there has been an increasing intrusion of national interests in the allocation of the ODA among the developed countries, Canada included. Following the 9/11 terrorist attacks, several developed countries have had a tendency to divert their ODA monies from the initial purpose of ODA, which was poverty reduction and the achievement of the Millennium Development Goals. Very often, money has been allocated to developing countries for the purpose of countering the war on terror or for military and security aspects of peace operations. In other words, ODA has increasingly been serving donor interests rather than the interests of the poor.

Some countries, such as Canada, have been inflating their ODA statistics by including in their report to the OECD money going for projects on peace and security, as an instance. In the book entitled *The Reality of Aid 2006*, it is stated that, between 2001 and 2004, approximately 28 per cent of Canadian aid increases were allocated to Afghanistan and Iraq. In 2004, Canada gave only 0.27 per cent of its gross national income to ODA, approximately Can. $3.4 billion.

In 2006-07, ODA figures will total approximately $4.6 billion, or 0.33 per cent of our GNI. This is seemingly being repeated in the budget of 2007-08 —no significant increase. We are expecting ODA to remain essentially at $4.6 billion, or, when we look at the gross national income, at about 0.32 per cent. This is not even half of the internationally agreed UN target of 0.7 per cent.

[*Translation*]

All of our official development assistance is usually included in the same budget envelope, which is a problem when we try to figure out how effective our assistance is. Instead of separating the funds that are allocated to poverty reduction from those that go to security, stabilization and reconstruction projects, CIDA has often put them all together for accounting purposes and for the official development assistance report submitted each year to the OECD Development Assistance Committee even though some of the funds should not be included, according to OECD criteria.

This is common practice in a number of other countries, including the Netherlands, Australia and the United States. They often report all of their international assistance as official development assistance, which helps them improve their statistics with the OECD and their image as donor countries.

Is it fair and honest, honourable senators, to include funding for national security in an envelope that is primarily intended for the elimination of poverty? Does improved security in a country contribute necessarily or even directly to reducing poverty in that country? Some will say that security and development go hand in hand, but aid that is sent to restore security is certainly not intended to promote development. The goal is to restore security, not reduce poverty. The two should not be mixed together; they complement each other, but they should not necessarily be included in the same envelope.

Let me be clear: this bill is not opposed to the aid sent to restore peace and security in failed or fragile countries. On the contrary, what the bill says is that the money should come from two separate budget envelopes. We have to set guidelines for calculating official development assistance if we want truly effective aid, continuity and the ability to sustain our aid efforts for more than a few years.

This bill adds that not only must there be guidelines for official development assistance, but the total amount of assistance must be reported to our democratic institutions.

• (1820)

Parliament needs to know the total amount of development assistance our department of international cooperation is reporting to the OECD committee. What this bill aims to do, honourable senators, is to improve accountability and make the calculation and reporting of official development assistance more transparent for everyone, especially parliamentarians and civil society organizations. The government campaigned on transparency and accountability and made good on its election promises with Bill C-2.

This bill specifies that the competent minister should report to the House of Commons and the Senate. In 2002, we learned from the Development Assistance Committee report that CIDA has not issued any annual reports intended for the public since 1995-96. CIDA only prepares reports to Parliament on plans and priorities and departmental performance reports, which are often difficult for the public to understand and do not necessarily contain clear statistics on development assistance.

According to the OECD, we have some work to do to make our assistance more transparent. CIDA has become an agency that is no longer accountable or responsible. It must become accountable and have a clear and transparent mandate. If we pass this bill, a lot will have to change in internal practices but this will ensure that we get honesty, transparency and responsibility when it comes to development assistance, and we will thereby be able to monitor the evolution of the development process.

I would like to give you some background or historical context for this bill. This is not the first time, honourable senators, that such a bill or such recommendations have been presented to our Parliament. In 1987, some 20 years ago, parliamentary committees and the Auditor General looked into Canadian assistance to developing countries and the role of CIDA. All these reports were clear. Starting in 1987, the objective of reducing poverty became increasingly clouded by foreign policy objectives,

and these reports calling for greater clarity in our official development assistance mandate became increasingly less available and identifiable.

Allow me to give you a few examples: in 1987, the House of Commons Foreign Affairs Committee published a report on official development assistance in Canada, better known as the Winegard report, since the committee was chaired by Mr. Winegard from the Progressive Conservative Party. This report recommended the creation of a development charter, which would form the backbone of a legislative mandate for development assistance. This charter had to contain the following principles: the primary purpose of development assistance is to help the poorest countries and people of the world; and development priorities should always take priority over foreign policy objectives.

I will now take you back to 1994, to the Special Joint Parliamentary Committee reviewing Canadian Foreign Policy. I would like to acknowledge the participation in this committee of Senators Andreychuk, Carney and Comeau. They will recall that the report recommended once again having legislation setting out basic principles in order to guide official development assistance and to clarify CIDA's mandate.

The following year, in 1995, you have the government's response to the 1994 report of the Foreign Affairs Committee by Ministers André Ouellet and Roy Maclaren. The government took a critical first step by enunciating a development assistance mandate in its "Canada in the World" policy.

This policy clearly stated that the goal of Canada's development assistance is to:

> . . . support sustainable development in developing countries, in order to reduce poverty . . .

This brings us to 1998 and the Auditor General's Report on CIDA. It encouraged the department to provide a better indication of the potential impact of its activity since the reports were not submitted systematically, so it was difficult to see what had truly been accomplished over the year. This led to a lack of clarity in the parliamentary auditing method.

We move on to 2002 and the report of the OECD's Development Assistance Committee. This report was particularly critical of Canada. I quote:

> . . . poverty reduction is not necessarily treated as the overarching goal.

CIDA's six priorities do not have a clear link to the reduction of poverty. According to the DAC's Creditor Reporting System in 2000, CIDA reported that only 26 per cent of its sector allocable projects in total amounts had poverty reduction as the principal objective, and in 2002, the OECD committee recommended that Canada make the reduction of poverty a principal objective:

> It will need to be mainstreamed throughout the agency with a clearer message of CIDA's mandate, stronger leadership and a more rigorous monitoring system.

It also indicated that the United Kingdom served as a model that Canada should emulate to create legislation aimed at reducing poverty. That was in 2002. It was not until the last Parliament, however, in 2005, that we saw any multi-party support in favour of this type of legislation.

I must say that progress has been slow. This multi-party support was first manifested in an open letter sent to the Prime Minister of the time, the Right Honourable Paul Martin, on February 17, 2005. That letter, written by the Bloc Québécois, the NDP, and the Conservative Party, with Mr. Harper as party leader, called on the government of the day to implement a legislative framework that would establish poverty reduction as the ultimate goal of development assistance.

[*English*]

More specifically, if I can, the letter states:

> The legislation should include an unequivocal statement of purpose that poverty-reduction is the central lens through which Canada's aid program should be delivered. Key elements of a legislated mandate must include mechanisms for monitoring: Accountability and reporting to Parliament; and enhanced public transparency. Such legislation would increase the effectiveness for Canada's aid contributions and consolidate public support for this important work.

Honourable senators, this is exactly what Bill C-293 does: It draws from this broad cross-party consensus and gives a legislative expression that meets these demands.

Following this letter, still in the history, on June 28, 2005, the House of Commons unanimously adopted a motion that calls on the Government of Canada to introduce legislation which will "establish poverty reduction as the priority for Canada's ODA . . . to ensure that aid is provided in a manner . . . respectful of the perspectives of those living in poverty."

We are being consistent, if maybe a little slow off the mark. In addition, private members bills, all similar in content, have been introduced by opposition MPs in the last and present Parliament. The NDP MP Bev Desjarlais introduced Bill C-446 on November 16, 2005, but unluckily the bill died on the Order Paper when the general election was called.

• (1830)

Then the Conservative MP, Mr. Daryl Kramp, introduced Bill C-204 on April 6, 2006. However, the bill died after first reading.

The former NDP leader, Ms. Alexa McDonough, introduced Bill C-243 on May 1, 2006. It died on the Order Paper after first reading.

Only Liberal MP Mr. John McKay has been able to garner the support of the leaders of the opposition to adopt a similar bill, Bill C-293. This bill, honourable senators, is therefore not the Liberal Party's bill, but an all-party bill — the history of it reflects that — which the Conservative Party, including Mr. Harper, as well as all the other political parties, were calling for in the last Parliament. The bill has a history of consistency in requiring that we achieve the aim of the reduction of poverty by our ODA.

Bill C-293 is, in fact, in line with the 2006 Conservative platform wherein the Conservative Party made a pledge to "make Parliament responsible for exercising oversight over the conduct

of Canadian foreign policy." This is exactly what Bill C-293 intends to do. By providing a legislated mandate on ODA, there will be more accountability, monitoring and reporting to the Parliament on Canadian aid spending, giving it focus if not hopefully too much more paperwork.

Moreover, the recent report on Africa from our colleagues on the Standing Senate Committee on Foreign Affairs and International Trade, tabled in February 2007, made similar recommendations regarding CIDA and the effectiveness of our aid. Let me use their words, if I may:

> If it is to be retained, CIDA should be given a statutory mandate incorporating clear objectives against which the performance of the agency can be monitored by the Parliament of Canada.

Honourable senators, the consistency that we are getting from both Houses in regard to this bill or this orientation in regard to bringing a mandated perspective to our foreign aid is extraordinary.

Honourable senators, if the 1987 Winegard report was the first document calling upon our government to look into the allocation of foreign aid in developing countries, then we can affirm that this bill builds on 20 years of reflection and discussion — this did not appear last year — on the importance of having a clear aid mandate that will really contribute to poverty reduction: Focused, focused and focused on poverty reduction. Without clarity of mandate and purpose, there can be no real accountability in aid spending. We can be, as too often is the case, all over the map and, in this case, all over the globe. This is why Bill C-293 is required and so essential.

Such legislation already exists in other countries. The United Kingdom, Sweden, Switzerland, Spain, Luxembourg, Denmark and Belgium have introduced legislation that limits ODA to poverty reduction purposes and differentiates it from other foreign assistance envelopes, be it for peace and security operations as an example or, even by extension, business interests, not to say self-interest. Bill C-293 builds on those models.

In 2002, the United Kingdom adopted the International Development Assistance Act. This act entrenched poverty reduction as the central goal of the foreign assistance program. The rationale was to prevent future governments from diverting — a strong verb — ODA resources for other purposes and to ensure — another strong action verb — that tied aid would be excluded in the allocation of ODA.

Switzerland and Spain have also had a similar law in existence since 1976 and 1998 respectively, with the ultimate and overarching goal of poverty alleviation.

Sweden is a very interesting model and has gone quite far in its legislation. It pushes the envelope. In the year 2000, Sweden adopted a bill that placed poverty reduction at the core of all government policies. They have an overarching policy and orientation. It takes international development from being a residual after everything else is met, to, in fact, a mainstream effort. Whereas the UK act and many other similar acts in other countries require that poverty reduction be the central purpose of ODA, the Swedish act requires that all government activities be guided by the perspective of the poor. This is an innovative piece of legislation. This legislation moved that country from looking at international development and particularly property reduction from being something that we do when we have a few pennies left over to something of a major priority philosophy of that nation.

The U.K., however, is a good example, possibly even a great example, that shows the strength of such legislation. In comparison with Canada, Australia or even the Netherlands, which say that they are putting one per cent of GNI into international development, the British ODA has not massively been diverted to Iraq or Afghanistan over the last five years. We know to what extent the U.K. has been involved extensively in Iraq. The U.K. ODA act did not preclude the British Parliament from providing military and humanitarian assistance to Iraq or even to Afghanistan. However, their act made it clear that the money would not come from the ODA envelope.

By contrast, Australia, that does not have such a legislated mandate, is said to have, since 1997, diverted most of its ODA resources for national security interests. In 2005, the OECD found that Australia's aid program was "failing the global south" and that aid was increasingly being used explicitly as a tool for an interventionist foreign policy.

This is also the case with the Netherlands. Many NGOs have been critical that most of the Dutch ODA resources are used for arms security interventions rather than poverty reductions purposes.

I am not sure if we are looking at a peace-o-phile perspective of what international development should be, but there certainly seems to be a fundamental disconnect between foreign policy in regard to use of force and potential use of force and security and how you rebuild a country or build a country or pull it out of poverty.

Canada does not want to fall prey to the same criticisms, but we are setting ourselves up perfectly to go down that route. By endorsing legislation focussed on poverty reduction, Canada will avoid the lines being blurred between national security interests and the interests of the poor. Bill C-293 will help prevent ODA from being spent on any flavour-of-the-month foreign policy objectives and ensure that ODA resources are really going to the world's poorest. Canada ought to be in the forefront of these innovative and responsible approaches, along with some of the other European countries that have demonstrated already that very transparent leadership. We should be part of that paradigmatic exchange in delivery of development assistance.

[*Translation*]

I must point out, however, that the bill was not unanimously welcomed when it was presented to Parliament in May 2006. Reservations were expressed by some witnesses who appeared before the House of Commons Foreign Affairs Committee.

If I may, I would like to briefly explain the major concern that was repeatedly mentioned by many individuals, and respond to that concern, because it contributed to some bias concerning what this bill would and would not do.

• (1840)

[*English*]

The major concern that has been expressed by some MPs on the government side, and by DFAIT representatives before the House of Commons committee, is that this bill would limit Canada's ability to pursue its national interests and would take the focus away from peace and security initiatives such as the stabilization and reconstruction task force at DFAIT, which gets approximately $100 million per year and is still trying to figure out how to use it.

In reality, Bill C-293 places absolutely no limits on government spending. To be sure, all activities and programs that DFAIT or CIDA have on human security — a term that seems to be disappearing over there — on peace and security, or any funding going for core activities of multilateral organizations, and which have usually been taken from the foreign assistance envelope, shall continue unless the Prime Minister decides otherwise in his budgets.

Bill C-293 essentially says that ODA, which is only a portion of our foreign assistance envelope, will be exclusively destined to poverty reduction projects and activities. It specifies and qualifies our aid instead of taking it all from the same envelope. It does not intend to put an end to current funding on national interest projects. Is the reduction of poverty in the world primarily a national interest objective or is it, in fact, a humanitarian dimension that a developed country should be involved with and committing itself to?

Why should we adopt this bill? I am being very transparent. We should adopt it primarily because Canada should lead by example — an interesting dimension for us — and be a model for other countries to adopt such legislation. We can start taking over again a leadership role in the international spheres of humanitarian efforts and in the role of helping establish and stabilize peace in many of these imploding nations. We might even get as far as preventing catastrophes from happening.

We should not aim to be the last developed country to do so. It has been determined by debate in our Parliament for the past 20 years that this bill makes sense, but there has been no leadership to make it happen in a series of governments of different colours. Let us be at the forefront of this major shift in the delivery of ODA.

Bill C-293 enjoys cross-party consensus among opposition leaders, including the Conservative Party in the last Parliament. It is the product of more than two years of reflection and discussion in successive Parliaments. We have had more than enough opportunities to amend the bill and make it viable. The bill has extensive grassroots support from many civil society organizations, including the Canadian Council for International Cooperation, which is comprised of more than 100 Canadian voluntary sector organizations or NGOs. In fact, a petition presented to the House of Commons on March 22, 2007, from Engineers Without Borders, cemented the Canadian desire to have such legislation. The petition was signed by 11,713 valiant engineers from Canada. It asked Parliament to "enact legislation to ensure that all Canadian development assistance contributes to poverty reduction, takes into account the perspectives of the poor, and is consistent with Canada's human rights obligations."

Moreover, Bill C-293 is backed up by a worldwide movement started in 2005 against world poverty. More than 230,000 Canadians and over 700 NGOs have signed on to the "Make Poverty History" petition which urges the Canadian Parliament for more and better aid and to enact legislation to make ending poverty the exclusive goal of Canadian foreign aid. This is in addition to the 23 million people worldwide who are calling upon rich and developed countries to make poverty history.

Bill C-293 is at a turning point. Such legislation has been requested by Parliament, civil society organizations and thousands of Canadians. It has an international perspective that falls well within what developed countries should be doing. Several reports have studied this matter over the last 20 years. There is no need to further investigate this issue. Much has been done time and again and both Houses have been consistent in what we want to achieve. The bill comes before us today in the Senate for our sober second thought and approval, which sober second thought has already been provided.

In conclusion, honourable senators, I wish to quote Jeffrey Sachs, the special adviser to the UN Secretary-General Ban Ki-moon, and former director of the UN millennium project:

> All of the incessant debate about development assistance and whether the rich are doing enough to help the poor actually concerns less than 1 per cent of rich world income. The effort required of the rich is indeed so slight that to do less is to announce brazenly to a large part of the world: "You count for nothing."

Honourable senators, this is a call for action. Leadership has been demonstrated and the torch has been passed on to us. Let us show developing countries that we care about them, that Canada intends to devote more and better aid to them so that they can get out of the poverty trap that will keep them in inhuman conditions. Let us be at the forefront of the significant shift in development assistance that ought to take place if we wish to bring change to the root causes of poverty, the same things that cause instability and, ultimately, the implosion of nations, massive abuses of human rights and even genocide.

Poverty is not systematic. Rich countries have at times even created it and have built on the poverty of others. We have seen the rape of many colonies by European powers in the past. We have a responsibility to reverse this trend. In doing so, we need to address the source of the problems rather than resorting to band-aid solutions as we have done over the past decades, from which we have a hard time identifying positive results. As the Senate report on Africa mentions, the world has invested approximately $568 billion on foreign aid in Africa since 1960, and relatively little has changed.

As of 2007, 1.2 billion people live in abject poverty; more than 800 million people go to bed hungry; 50,000 people die every day from poverty-related causes which are entirely preventable; and each year 17 million people die of diseases that we know how to cure.

Are all humans human? Do all humans count, or do we count more than others to the extent we cannot even move to 0.7 per cent of our gross national income for nearly half of the population of the world?

There is a real need to rethink how our ODA is allocated and for what purposes. The Senate report on Africa states it well. It says:

> . . . development aid must radically change and must be scrutinized for effectiveness, efficiency, and results . . .

Bill C-293 is a first step in that direction. It is a crucial step if we are serious about making poverty history and we really want our aid to be more accountable and more effective on the ground.

Moreover, in the year 2000, 189 countries, including Canada, pledged to achieve, before 2015, the millennium development goals, the first of which is to "eradicate extreme poverty and hunger." More specifically, we, the developed countries, the have countries of the world, agreed "to reduce by half the proportion of people living on less than $1 a day."

• (1850)

At the current pace — and with our current methodology of prioritization, with international development being a residual and, at that, being permitted to go all over the map and, as I said previously, all over the globe, without any consistency or even transparency — if Canada does not adopt this proposed legislation, then Canada will not be able to honour its commitment. There is a credibility gap that is growing between this country and its position internationally, and it is a credibility gap that is growing in our disfavour in front of the developing countries who look at us as a country of example, as a country of reference, as a country of people who believe that human rights and the right to security and the right to life are not just for the rich but for all humans. We have, for the first time, a unique chance before us today with this bill, as well as grass roots momentum out there, to make such proposed legislation a reality.

Honourable senators, I hope this bill will not stay too long in this chamber. In fact, I would love to see it moved expeditiously and even, if I may use the term, fast-tracked.

A duty is awaiting our Canadian government — that is, to save the lives of millions of children and women and elderly across the numerous countries that are underdeveloped, underfunded and in poverty. During the time in which I have been delivering this speech, just as an example, thousands around the world have probably died because of our inaction or because our aid does not reach out to the world's poorest. Time is running out. Time is short. People are dying. This is not an exercise in hopelessness; on the contrary, the bill in front of us is one of the initial instruments to bring hope, to bring optimism and ultimately to eradicate poverty — which, if we really want to push our self-interests aside, will eliminate ultimately the chances of imploding nations falling into catastrophic failure. We must overcome our differences in this chamber in this regard and pass this important bill as soon as possible.

[*Translation*]

Honourable senators, sooner or later during our travels around the world, we have all had the opportunity to put names and faces to poverty. Therefore, honourable senators, I urge you to think of that child, that woman, or that village, when the time comes to pass this bill. We must act now and make it our mission to convince other developed countries to get behind this millennium objective.

I would like to end with the words of a person who still symbolizes the fight for equality and the fight to end segregation between Blacks and Whites, rich and poor. That person is Nelson Mandela.

[*English*]

In this new century, many of the world's poorest countries remain imprisoned, enslaved and in chains. They are trapped in the prison of poverty. It is time to set them free. Like slavery and apartheid, which we fought, poverty is not natural. It is man-made and it can be overcome and eradicated by the actions of other human beings.

[*Translation*]

Where there is a will, there is a way. Let us get started.

On motion of Senator Keon, for Senator Segal, debate adjourned.

ROYAL ASSENT

The Hon. the Speaker *pro tempore* informed the Senate that the following message had been received:

RIDEAU HALL

April 18, 2007

Mr. Speaker,

I have the honour to inform you that the Right Honourable Michaëlle Jean, Governor General of Canada, signified royal assent by written declaration to the bill listed in the Schedule to this letter on the 18th day of April, 2007, at 6:37 p.m.

Yours sincerely,

Curtis Barlow,
Deputy Secretary, Policy, Program and Protocol

The Honourable
The Speaker of the Senate
Ottawa

Bill Assented to Wednesday, April 18, 2007:

An Act to provide for the resumption and continuation of railway operations (*Bill C-46, Chapter 8, 2007*)

[*English*]

NATIONAL SECURITY AND DEFENCE

COMMITTEE AUTHORIZED TO EXTEND DATE OF FINAL REPORT ON STUDY OF NATIONAL SECURITY POLICY

Hon. Colin Kenny, pursuant to notice of April 17, 2007, moved:

That, notwithstanding the Order of the Senate adopted on Thursday, April 27, 2006, the Standing Senate Committee on National Security and Defence which was

authorized to examine and report on the national security policy of Canada, be empowered to report no later than March 31, 2008; and

That the Committee retain all powers necessary to publicize its findings until May 31, 2008.

He said: Honourable senators, although this has been a long day, I should like to thank Senators Comeau and Tardif for ensuring that this matter was included in the business of today. I move the motion standing in my name.

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

Hon. Senators: Question!

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

An Hon. Senator: On division.

Motion agreed to, on division.

[*Translation*]

BUSINESS OF THE SENATE

Hon. Gerald J. Comeau (Deputy Leader of the Government): Honourable senators, I believe there is consensus to stand all remaining items on the Order Paper and Notice Paper in their place.

The Hon. the Speaker *pro tempore*: Is it agreed, honourable senators?

Hon. Senators: Agreed.

The Senate adjourned until Thursday, April 19, 2007, at 1:30 p.m.

CONTENTS

Wednesday, April 18, 2007

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