



# DEBATES OF THE SENATE

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OFFICIAL REPORT  
(HANSARD)

Wednesday, October 24, 2012

The Honourable NOËL A. KINSELLA  
Speaker

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## THE SENATE

Wednesday, October 24, 2012

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

Prayers.

### WORLD AUTISM AWARENESS DAY BILL

#### MESSAGE FROM COMMONS

**The Hon. the Speaker** informed the Senate that a message had been received from the House of Commons returning Bill S-206, An Act respecting World Autism Awareness Day, and acquainting the Senate that they had passed this bill without amendment.

## SENATORS' STATEMENTS

### SIGTRYGGUR JÓNASSON

#### FATHER OF NEW ICELAND

**Hon. Janis G. Johnson:** Honourable senators, on Saturday, October 20, 2012, the statue of Sigtryggur Jónasson, the Father of New Iceland, was unveiled before a large crowd in Riverton, Manitoba.

On the same afternoon, there was also the unveiling of a Historic Sites and Monuments Board of Canada plaque commemorating Sigtryggur Jónasson as a national historic person.

“Commemorating historic people like Sigtryggur Jónasson pays tribute to their achievements while confirming the importance they hold for us today as Canadians,” said Minister Kent.

This day marked years of effort by the Icelandic River Heritage Sites group, a volunteer organization led by Chair Harley Jonasson and renowned historian and genealogist Nelson Gerrard.

As a proud descendant of Canada's Icelandic community and senator for Manitoba, this event was of special significance to me personally, along with members of my family. Every community in Canada can trace its origins back to an individual, or a set of individuals, who played a decisive role in the early days of their settlement in our great land.

For those who came to Canada from Iceland in the 1870s and afterwards, the name Sigtryggur Jónasson is at the heart of their heritage. He was a man who demonstrated leadership from an early age, moving to Canada in 1872 at the age of 20 and founding the New Iceland settlement on the west shore of Lake Winnipeg in what is now Manitoba.

Jónasson was instrumental in ensuring that the vast majority of the approximately 20,000 Icelanders who immigrated to North America between 1870 and 1914 settled in Canada. They were, as Governor General Lord Dufferin said at the time, the finest settlers he had ever known.

As a man of many talents cultivated through a deep upbringing in literature, Sigtryggur served as a community leader, publisher, businessman and politician, becoming the first elected leader of the self-administered Icelandic community and subsequently represented his community in the Manitoba legislature.

Honourable senators, Sigtryggur Jónasson was a model Canadian pioneer leader who devoted his life to the economic, social and cultural well-being of his people within the Dominion of Canada. He also serves us today as an example of how multiculturalism should and can work. His vision and passion for this country, passed down through the generations, created a vibrant community of Canadians with a proud Icelandic heritage who were determined to make life a success in their new land, to call it home — and we have for 140 years.

Please join me in saluting Sigtryggur Jónasson and his many contributions to our nation.

### INTERNATIONAL DAY OF THE GIRL CHILD

**Hon. Roméo Antonius Dallaire:** Honourable senators, I rise today to talk about two international days that took place at the beginning of October and deserve our attention. Some of our colleagues have spoken on them and I wish to add my voice.

The first day is the International Day of the Girl Child, a new day of recognition that was celebrated on October 11. It is no surprise that girls, regardless of where they come from, generally experience more violence, discrimination and other abuses than boys. According to Status of Women Canada, depression rates and sexual harassment in Canada are more pronounced among girls. We have seen how cyberbullying has in fact brought death to girls, as they have committed suicide while trying to survive under some of these horrific conditions.

While the situation of some girls in Canada is not only unacceptable but inappropriate in a society that believes in human rights and gender equality, the situation of girls in other countries is by far much worse. In areas that are more challenging than Canada, in imploding nations, failing states and societies that simply do not recognize gender equality of women and men, let alone of girls, some girls are turned into child soldiers and are forced to live under the most dire conditions and are, in fact, used as bush wives and sex slaves as early as 12 and 13 years old.

The purpose of this day is to help us remember that we are not living in a perfectly egalitarian society at home, but unfortunately there are other societies that have even worse conditions to which

we should not remain ignorant or aloof from. I believe we have a responsibility, as a leading middle power in the world, to participate in assisting them.

### WORLD MENTAL HEALTH DAY

**Hon. Roméo Antonius Dallaire:** Honourable senators, the second date I wish to mention is the World Mental Health Day that took place on October 10. Mental disorders represent approximately 15 per cent of diseases in the world. In Canada, one in five people will be affected by various levels of mental illness.

There are a number of mental illnesses and it is important to remember that no one is immune. Mental illness does not target specific victims and knows no boundaries. Anyone can be affected by mental illness, regardless of their age and social background. We have statistics of the costs in the billions of dollars to our society for people who are falling victim to these illnesses.

• (1340)

My intent is to draw attention not to the cost but rather to the sharp increase in mental illness during the last 20 years. The Canadian Mental Health Association indicates that mental illness is a primary cause of disability in Canada. As a result, people with mental illness are quite often unemployed, which in turn affects their families and the continuum of those families as citizens who wish to participate in the advancement of our society.

Individuals with mental illness have to live with the situation, but we must recognize that their families are also so engaged and significantly affected, and there is a mental illness impact on communities when we do not take care of the first level of mental illness in families.

### NATIONAL FOSTER FAMILY WEEK

**Hon. Elizabeth Hubley:** Honourable senators, this is National Foster Family Week. I am happy to rise today to recognize and celebrate dedicated foster families across the country. According to the 2011 Census, almost 50,000 children are living in foster care. These children are part of our communities, attend our local schools and play in our neighbourhood parks. In the future, one could be your doctor, your neighbour or your member of Parliament. To become all they can be, these kids need strong support and the skills and confidence that only a caring family can inspire. Foster families provide vulnerable children with stability, patience, love and understanding. They plant the seeds for future success by teaching children what it means to be a valued member of a family and a community.

Canadian foster families, like the children they care for, come in all shapes and sizes and from different backgrounds and different situations. They are single parents, same-sex couples, older parents, young professionals and families with both biological and foster children. They all share a desire to make a difference in the life of a child; and what a difference they make. Foster families turn lives around. They can inspire children to overcome their difficult pasts and achieve great things. I know. I have met foster parents and foster children and have heard their stories.

Most recently, Senator Callbeck and I were thrilled to present Diamond Jubilee Medals to deserving foster parents in Prince Edward Island. They are an inspirational group and had wonderful things to say about their experiences and their children.

In honour of National Foster Family Week, I hope that all honourable senators will join me in thanking foster families for all that they do. I would encourage all Canadians who may be curious about foster parenting to get in touch with their local foster family association or provincial or territorial government. Children in your community need your love and support.

[Translation]

### J.D. IRVING, LIMITED

**Hon. Percy Mockler:** Honourable senators, on behalf of all New Brunswickers, I would like to commend the exceptional leadership of one particular New Brunswick family in the forestry sector. I would like to recognize J.D. Irving, Limited, or “JDI” as it is known back home.

[English]

There is no doubt in my mind that the Irving family is an icon across Canada, North America and the world when it comes to forestry research and development. Honourable senators, the true test of character and strong value is to consider someone’s behaviour when no one is watching and to judge behaviour when it is not required.

Honourable senators, for those reasons, I am eager and proud to recognize the Irving family; we call J.D. Irving “Jim.” People do not care who we are until they know what we care for. I know that J.D. Irving, Limited, has called New Brunswick home for 130 years. Without a doubt they are a leader in reforestation across the world. Even looking around this chamber today, I see some senators who have planted trees.

**Senator Mercer:** How is my tree doing?

**Senator Mockler:** As a leader in reforestation, Irving has planted more than 877 million trees since 1957. It is unprecedented. Honourable senators, some of my colleagues in both houses witnessed for themselves, when they visited the Black Brook District, how J.D. Irving, Limited, continues to inspire innovation and advancement through research and technology in forestry. J.D. Irving is synonymous with best practices and sustainable forestry —

[Translation]

— in terms of sustainable management.

[English]

Being a pioneer of GIS and GPS technology, Mr. Irving and his team represent the corporate social conscience with Canadian values. Yes, the proudly New Brunswick company has also made great strides in advancing Canada’s understanding of climate change and the impact on our forests. This JDI case study was featured by the National Round Table on the Environment and the Economy and is entitled *Facing the Elements: Building Business Resilience in a Changing Climate*.

Honourable senators, I congratulate Mr. J.D. Irving and J.D. Irving, Limited, for their outstanding performance as they conduct alternative thinning treatment to measure the affect on birds, small mammals, insects, ground vegetation and mosses. Let us unanimously congratulate JDI's unique areas program. It is the winner of the national Canadian Council on Ecological Areas award for leadership in promoting sustainable ecosystem management and its role in designating land and resources for conservation. This family makes us proud, regardless of where we live in Canada. I thank the Irving family.

## THE WAR OF 1812

### 104TH NEW BRUNSWICK REGIMENT OF FOOT

**Hon. Joseph A. Day:** Honourable senators, with so much being written on the 200th anniversary of the War of 1812 to 1814 between British North America and the United States of America, many not-so-well-known events of our history are being rediscovered. I remind honourable senators of one such event about the 104th New Brunswick Regiment of Foot. This event serves to illustrate how one area of our country has come to the aid of another and the sacrifices made to keep our country united.

With the recommencement of hostilities between Britain and France in 1803, a shortage of British regiments in North America led to the creation of five defensive units in the colonies. These units were responsible only for the defence of the area where they were stationed. One such unit was formed in New Brunswick and volunteered for general service. The unit was elevated to an infantry unit of the line known as the 104th New Brunswick Regiment of Foot in 1810. It was the only Canadian regiment to be raised to full-time regular service in the then British army. The unit could be moved to any British garrison in theatre of operations as a regular part of the British army.

When war broke out with the United States in 1812, detachments of the 104th were posted along the main New Brunswick border. With the buildup of American troops in Sackets Harbor, opposite Kingston, Ontario, and upstate New York during the winter of 1812 to 1813, there was deep concern about a pending American invasion of Upper Canada that spring. To strengthen Upper Canada's defences before the end of the winter, six companies of the 104th were ordered to trek overland to Quebec and then on to Kingston. In all, roughly 573 soldiers made that march. Setting off from Fredericton, New Brunswick, on snowshoes on February 16, the 104th marched 550 kilometres in minus 31-degree temperatures, arriving in Quebec City in mid-March. The trek took 24 days in the unforgiving Canadian winter. After two weeks in garrison in Quebec City to recover, the 104th set out for Kingston where they arrived on April 12, having covered a total of 1,125 kilometres on foot. These soldiers were poorly clothed and were provided with the meekest of rations. As such, their march stands out as one of the great feats of Canadian military history.

• (1350)

Regiments typically have identifying flags around which the soldiers rally. Those flags are referred to as the regimental colours. The colours of the 104th Regiment were carried proudly during that entire journey. After the regiment was disbanded, the colours were retired to then Lieutenant-General Martin Hunter of the regiment who lived in Scotland. One hundred years later, his

family donated the colours to a museum in New Brunswick. Through the generous donations of Jack Irving and his son John of Saint John, New Brunswick, the 104th regimental colours have been restored and are now part of a collection at the New Brunswick museum. Those colours have been loaned to Canada's War Museum in Ottawa and are part of the 1812 exhibit there.

I encourage honourable senators to visit the War of 1812 exhibit at the War Museum. While viewing the colours of the 104th New Brunswick Regiment of Foot, imagine the 600 soldiers marching through the cold of winter from New Brunswick to Ontario to help keep Canada independent from the United States.

## MR. TERRY AFFLECK

### COUNCIL OF THE FEDERATION LITERACY AWARD WINNER

**Hon. Catherine S. Callbeck:** Honourable senators, I am pleased to rise today to congratulate Mr. Terry Affleck, one of this year's winners of the Council of the Federation Literacy Award. Mr. Affleck was presented with his award last week by the Premier of Prince Edward Island, the Honourable Robert Ghiz, who noted that the award acknowledges the importance of literacy as an essential building block in the development of a vibrant society and a prosperous economy.

Early in his school career, Mr. Affleck did well. He tells us that after the fifth grade, low self-esteem and a sense of rebellion caused him to have problems. Like many in the 1950s, he chose to quit school and begin work. His parents did not mind as jobs were plentiful for someone without a formal education. He was a good worker and was easily able to find work to suit his abilities.

It was not until his children were born that he realized he could not read well enough to help them with their homework. Though he spent more years trying to hide the fact that he could not read well, a good friend finally encouraged him to seek help. He was paired with tutor Micheline Dufour, and he has not looked back.

At the age of 63, Mr. Affleck learned to read, and at 66 he is just one subject away from earning his grade 12 equivalency. He has shown great courage and dedication in his journey to overcome his literacy challenges. I am pleased that his hard work and enthusiasm has been recognized by the Council of the Federation.

Mr. Affleck's story is not an uncommon one, and it clearly illustrates the importance of solving this country's literacy problems. As I have said many times in this chamber, more than 40 per cent of working-age Canadians, those aged 16 to 65 years, have low literacy skills. In fact, when we include seniors, the percentage rises to 48 per cent. That means that nearly half of Canadians have low literacy skills. They have trouble coping with the demands of everyday life and work. Improving these skills has real benefits to these individuals and to society as a whole.

Honourable senators, I would like to congratulate Mr. Affleck and all those adult learners who have taken the steps to improve their literacy skills. I would also like to thank Ms. Dufour and tutors across the country for their work helping to turn the tide on low literacy skills. Without a doubt, we all benefit from success stories like this one.

[Translation]

## ROUTINE PROCEEDINGS

### PUBLIC SAFETY

#### OFFICE OF THE CORRECTIONAL INVESTIGATOR— 2011-12 ANNUAL REPORT TABLED

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I have the honour to table, in both official languages, the annual report of the Office of the Correctional Investigator for the fiscal year ended March 31, 2012, pursuant to the Corrections and Conditional Release Act.

### JOBS AND ECONOMIC GROWTH BILL, 2012

#### NOTICE OF MOTION TO AUTHORIZE CERTAIN COMMITTEES TO STUDY SUBJECT MATTER

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I give notice that, at the next sitting of the Senate, I will move:

That, in accordance with rule 10-11(1), the Standing Senate Committee on National Finance be authorized to examine the subject-matter of all of Bill C-45, A second Act to implement certain provisions of the budget tabled in Parliament on March 29, 2012 and other measures, introduced in the House of Commons on October 18, 2012, in advance of the said bill coming before the Senate;

That the Standing Senate Committee on National Finance be authorized to sit for the purposes of its study of the subject-matter of Bill C-45 even though the Senate may then be sitting, with the application of rule 12-18(1) being suspended in relation thereto; and

That, in addition, and notwithstanding any normal practice:

1. The following committees be separately authorized to examine the subject-matter of the following elements contained in Bill C-45 in advance of it coming before the Senate:

(a) the Standing Senate Committee on Banking, Trade and Commerce: those elements contained in Divisions 1, 3, 6 and 14 of Part 4;

(b) the Standing Senate Committee on Energy, the Environment and Natural Resources: those elements contained in Divisions 4, 18 and 21 of Part 4;

(c) the Standing Senate Committee on Transport and Communications: those elements contained in Divisions 5, 12 and 20 of Part 4;

(d) the Standing Senate Committee on Aboriginal Peoples: those elements contained in Division 8 of Part 4; and

(e) the Standing Senate Committee on Agriculture and Forestry: those elements contained in Division 19 of Part 4;

2. The various committees listed in point one that are authorized to examine the subject-matter of particular elements of Bill C-45 submit their final reports to the Senate no later than November 30, 2012; and

3. As the reports from the various committees authorized to examine the subject-matter of particular elements of Bill C-45 are tabled in the Senate they be deemed referred to the Standing Senate Committee on National Finance so that it may take those reports into consideration during its study of the subject-matter of all of Bill C-45.

[English]

### CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

#### ANNUAL CONFERENCE OF NEW ENGLAND GOVERNORS AND EASTERN CANADIAN PREMIERS, JULY 29-30, 2012—REPORT TABLED

**Hon. Janis G. Johnson:** Honourable senators, I have the honour to table, in both official languages, the report of the Canadian parliamentary delegation of the Canada-United States Inter-Parliamentary Group to the Thirty-sixth Annual Conference of New England Governors and Eastern Canadian Premiers, held in Burlington, Vermont, United States of America, from July 29 to 30, 2012.

### CURRENT STATE OF FIRST NATIONS SELF-GOVERNMENT

#### NOTICE OF INQUIRY

**Hon. Gerry St. Germain:** Honourable senators, pursuant to rule 5-6 of the *Rules of the Senate*, I give notice that, two days hence:

I will call the attention of the Senate to the current state of First Nations self-government in Canada.

• (1400)

## QUESTION PERIOD

### TRANSPORT

#### NAVIGABLE WATERS PROTECTION ACT

**Hon. Elizabeth Hubley:** Honourable senators, my question is to the Leader of the Government in the Senate. Her government's latest omnibus bill proposes even greater changes to one of our

country's oldest pieces of legislation, the Navigable Waters Protection Act, making this act the latest victim in her government's plan to destroy environmental protection in our country.

Her government's claim is that changing this act's name to the "Navigation Protection Act" is indicative of the act's commitment to protecting the right of navigation, but what about the protection of Canada's vital waterways? How can her government claim that this proposed legislation focuses on the protection of navigation when these changes would reduce protection for the vast majority of Canada's waterways?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, with regard the Navigable Waters Protection Act — the provisions in Bill C-45 and the new "Navigation Protection Act" — this particular legislation has always been and will remain about navigation and navigation only. The amendments will focus resources to ensure that this is still the case. This will not affect the government's protection of the environment. We have strong environmental laws in this country, such as the Canadian Environmental Protection Act, the Federal Sustainable Development Act, the Migratory Birds Convention Act, the Species at Risk Act and the Canadian Environmental Assessment Act.

I repeat to the honourable senator that this particular section of the budget implementation bill is strictly about navigation and navigation only.

**Senator Hubley:** Changing the intent of the Navigable Waters Protection Act would drastically loosen environmental protections by dramatically limiting the number of waterways protected. Of the tens of thousands of lakes in Canada, this new act would only protect 97 of them, as well as 62 rivers and 3 oceans. This means that any waterway not on the list would be affected by building a dam, pipeline, mine or bridge. How can this new "Navigation Protection Act" focus on the protection of navigation when the proposed changes would reduce the protection of most of Canada's waterways?

**Senator LeBreton:** I think I already answered that. There are many acts presently in place to appropriately protect the environment. This particular bill is about navigation and navigation only. All the other acts I mentioned are there to protect the environment and they will continue to do so.

## ATLANTIC CANADA OPPORTUNITIES AGENCY

### APPOINTMENTS

**Hon. Terry M. Mercer:** Honourable senators, I have asked several times about certain employees at the Atlantic Canada Opportunities Agency and how they were hired. A recent report by the Public Service Commission into the hiring of five people at ACOA found no political interference, but it did revoke two of the positions for improper conduct by senior officials and found errors in a third case. One of these cases was Kevin MacAdam. His position was revoked, yet he is still employed because he has appealed the findings of the report.

The commission found four senior ACOA executives, including the current and former president of the agency, acted improperly in appointing MacAdam. What action is the federal government taking to censure these executives at ACOA?

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, the government welcomes the report of the Public Service Commission. This independent investigation did not find evidence of any wrongdoing, as the honourable senator pointed out, or influence on the part of ministers or political staff.

I hasten to point out, especially given the honourable senator's capacity as former Executive Director of the Liberal Party of Canada, that this same commission reported back in 2006. They covered a period from the 1990s up until we formed government. That report said that the Liberals gave ministerial aides free rides into the public service. It was well documented and is in the report. In this case there was no political or ministerial interference.

**Senator Mercer:** At some point this government will have to start taking responsibility for things that go on in the government.

My question really is not about Mr. MacAdam but the report that said there was improper conduct by senior officials. The Public Service Commission has no authority to censure anyone and can only recommend corrective action.

The ball is in the federal government's hands to discipline these senior officials. Since these investigations into ACOA appear to be the largest investigations ever done by the Public Service Commission, what is the federal government doing to ensure that this improper conduct by senior officials does not happen again?

**Senator LeBreton:** If we go back, I believe up until this report was released, Senator Mercer's basic charge was that there was political interference by a minister or political staff. The Public Service Commission clearly found that not to be the case. Obviously, the findings of the Public Service Commission into the hiring of these individuals resulted in their employment not continuing.

There is nothing more I can say. The fact is that the Public Service Commission found there was no influence or wrongdoing on the part of political ministers or staffers. Appropriate action was taken and, of course, this is something quite different than what happened in the past.

**Senator Mercer:** Well, the government refuses to take responsibility.

They made this ruling against Mr. MacAdam. The question is: Is Mr. MacAdam still on the payroll? Is he still in Ottawa attending French language courses when there are quite adequate French language programs in Atlantic Canada and the Province of Prince Edward Island? There is a school that can do the training. Is he on special status in Ottawa where his expenses are paid? Is the government paying for his appeal? Are we now on the hook for the lawyers that Mr. MacAdam is using to appeal the ruling of the Public Service Commission?



**Senator LeBreton:** The honourable senator is on a major fishing expedition here. I believe, although I stand to be corrected, that I read somewhere that the individual in question is taking legal action. If that is the case, of course I cannot comment further.

[Translation]

## PUBLIC SAFETY

### OMAR KHADR CASE—MINISTER'S COMMENTS

**Hon. Roméo Antonius Dallaire:** Honourable senators, my question is for the Leader of the Government in the Senate, and it pertains to the honourable Vic Toews, Minister of Public Safety, whom I had the opportunity to meet recently at a ceremony to commemorate Canadian police officers who were killed in the line of duty. Over 1,000 police officers gathered on Parliament Hill on that very rainy day. We had the opportunity to have an informal conversation on various topics.

Last Sunday, the minister was invited to appear on CTV's Question Period, where the topic of discussion was a case in which he was personally involved, that of Omar Khadr. The message was as follows:

[English]

Canada has duty to Khadr: Says "terrorist" must be rehabilitated.

[Translation]

If I were the Minister of Public Safety, one of the things I would do would be to reduce threats to public safety.

• (1410)

Not wanting to create a threat, the first thing I would have done would have been to prevent the situation from becoming a threat. How do you explain the fact that the government wants to rehabilitate this so-called terrorist and yet it continues to demonize him and ensure that Canadians are convinced that he is a terrorist? The government wants to rehabilitate him, but it also wants to keep him in prison. Do you think it makes sense for a minister to continue to act this way?

[English]

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, there is one very simple fact, which is that Mr. Khadr is a convicted terrorist and murderer. That is the fact. Minister Toews simply stated the fact and, as the honourable senator points out, indicated that despite this known fact, of course, measures will be taken to rehabilitate him.

**Senator Dallaire:** It is interesting that the argument is to rehabilitate a terrorist; yet, when asked about whether Mr. Khadr was really a terrorist or was he maybe possibly a child soldier, the answer that was given was the following: "I do believe we have an obligation to rehabilitate him even though he is not a child soldier in the technical sense of that word."

I had the opportunity when I was sitting on the Human Rights Committee to take on our Minister of Justice in the report to the UN in which the minister said child soldiers are only those who

wear uniforms and are part of government organizations, while we know that the definition covers in fact those who are not in uniform, those who are in non-governmental structures and those who are either carrying a weapon or being raped as a child soldier girl in support of child soldiers.

In the case of Omar Khadr and the statement, what technical dimension does Omar Khadr not fit in the fundamental convention that we wrote and pushed and that over 100 countries have reinforced our position in defining what a child soldier is?

**Senator LeBreton:** We have had this argument before about what is and is not a child soldier.

The simple fact of the matter is that Mr. Khadr is a convicted murderer and terrorist. He was brought back to Canada. He is now in our penal system. Any future decisions that are made with regard to Mr. Khadr will be made by the independent Parole Board of Canada.

[Translation]

**Senator Dallaire:** Honourable senators, yes, and I expect that they will do that, especially since he was brought back to Canada, not in broad daylight, but rather, very early on a Saturday morning, in what I would call an undercover operation, knowing that two days later the minister chose not to give his consent and that an American plane had to bring Mr. Khadr back. I would like to quote another comment made by our minister.

[English]

I think it would have been a mistake to wait for six years so the Americans would dump him on our borders, because he is a Canadian citizen.

This is really a reversal. Even though the individual may have committed a crime — and we can debate that and will go through that for years, I gather — to treat a Canadian citizen thus, saying the Americans will dump this guy on our borders and we have to take him so we finally decide to take him, is that the way ministers proceed in responding to their responsibilities as ministers of the Crown to Canadian citizens, whether or not they like their politics or the politics of their family?

**Senator LeBreton:** Honourable senators, Minister Toews acted responsibly in this matter. As he said he would do, he reviewed all the relevant materials with regard to this particular individual.

With regard to Mr. Khadr's return to Canada, Senator Dallaire obviously has much more intimate details about how he arrived here than I do, so I cannot respond to what he said in that regard.

## PRIVY COUNCIL OFFICE

### ADVERTISING BUDGET

**Hon. Jim Munson:** My question is for the Leader of the Government in the Senate, but before I ask the question I want to thank senators from the other side and this side for their support for my autism bill. I am humbled by that. I watched the debate in

the House of Commons last night and it was something to see, from all parties. It is more than just awareness. There is a plan behind this bill, and we will continue to push toward this issue.

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

**Senator Munson:** I came to the Hill in 1972, 1974 — a long time ago — but it is the first time I felt, as I walked off the Hill and looked back up at the Peace Tower and saw the clock strike eight o'clock, "My goodness, I am a lawmaker." It was one of those moments, because in a private member's bill one just does not think these things will happen. It took some time. I was very proud that I could share that with everyone in the Senate.

I would also like to associate myself with the remarks of the government leader on Lincoln Alexander. In those days in the 1970s, without television, in the House of Commons as a young reporter I sat down and looked at Jim McGrath and Lincoln Alexander and Gordon Fairweather and all those Progressive Conservatives who sat there, and Lincoln was extremely important in my life as a young reporter. He took me literally under his arm and showed me a few things about what goes on here. What a gentleman and what a man. I want to associate myself with the leader on those remarks she made yesterday.

The question today has to do with tightening belts. When it comes to advertising with this government, during Mr. Harper's government's first five years in office, the spending in advertising has gone up \$128 million over budget. That is 37 per cent more than was originally allocated. It cannot be attributed to any single event or issue.

We see here a government overspending on the advertising budget each and every year it has been in office. Canadians could not run their households this way, so why does the government feel it can do differently when it comes to managing our country?

**Hon. Marjory LeBreton (Leader of the Government):** I thank the honourable senator, and with regard to his private member's bill, he is to be congratulated. Autism is a very serious condition, affecting a great number of families.

I am encouraged over the last few years by the attention that this government and Parliament have paid to private member's bills. Probably more private member's bills now make it through Parliament, good bills from both sides that benefit all of our fellow citizens.

With regard to Lincoln Alexander, I thank the senator for his comments. I noticed the reference to Lincoln Alexander's rather looming size. The honourable senator talks about being on the Hill since the early 1970s. I have been here since the early 1960s and I met Lincoln Alexander when John Diefenbaker convinced him to run in the 1965 election. I travelled on that election with our colleague Joyce Fairbairn. I was a political person at the time and she was a media person at the time.

With regard to advertising, as the honourable senator knows, the government undertakes a lot of advertising to inform Canadian citizens. It is the responsibility of the government to communicate important programs and initiatives to Canadians

and we see these many times, whether health announcements or announcements with regard to programs the government has available for Canadian citizens to avail themselves of to increase their skills, go back to school or what have you. Advertisement expenses for 2010-11 were well below those of the last full year under Senator Munson's former government, which at that time were \$111 million.

• (1420)

**Senator Munson:** I thank the leader for her first two answers.

As to the second answer, she keeps referring back to the government I served in, but we are talking about today. We are talking about fiscal restraint today and living within our budgets. We all have to do that, both here in the Senate and in the House of Commons. The question has to do with overspending and living within available means.

The leader's government has been cutting thousands of civil service jobs and preaching fiscal restraint to Canadians. I am sure Canadians like to see the public service taking the brunt of the restraint program.

However, the government launched a \$16 million advertising blitz to promote the economic action plan. That amount was for the first quarter of this year. That initiative is long over and done with. Her government has other recent advertisement spending, including \$5 million to promote better jobs, \$4.5 million to recognize the bicentennial of the War of 1812, \$8 million to spruce up the cuts to Old Age Security, and \$5 million to paint her government as responsible environmental stewards. Ironically, this last one comes at a time when the Experimental Lakes Area is being cut to save \$2 million annually and the National Round Table on the Environment and the Economy was dissolved for a savings of \$5.5 million. At a time when global economic circumstances demand fiscal prudence, why is the government spending this way?

**Senator LeBreton:** I think I responded to that in my first answer, honourable senators. It is the responsibility of the government to inform Canadians of available programs they can access, such as enrolling in skills training. The advertisement has a website, which has been extremely well used by the citizenry of this country, as people access the various government programs that are available. The advertising we do is focused primarily on the objectives of this government, which are jobs, the economy and prosperity.

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

## VISITORS TO THE SENATE

### THE GREY CUP

**The Hon. the Speaker:** We will not take time away from Question Period, but as honourable senators know, here in the northeast end of the Senate chamber, above the first window, we find the name of Governor General Grey. Right now, at the south end of our chamber, we have the Grey Cup.

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

**The Hon. the Speaker:** The Grey Cup is below the bar, accompanied by Mark Cohon, CFL Commissioner, and Russ Jackson, an iconic Canadian quarterback whose jersey was No. 12 and who was recently inducted into the Canada's Walk of Fame.

Accompanying Mr. Jackson and Mr. Cohon are Bryce Russell and Ave Poggione. They are all here below the bar to help Canadians mark the centenary of this great Canadian sports trophy.

On behalf of all honourable senators, thank you for bringing the Grey Cup to the Senate chamber.

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

**The Hon. the Speaker:** Honourable senators, there is time for a final question in Question Period.

[Translation]

### FISHERIES AND OCEANS

#### EXPERIMENTAL LAKES AREA— CLOSURE OF RESEARCH FACILITY

**Hon. Maria Chaput:** Honourable senators, my question is for the Leader of the Government in the Senate. A few weeks ago, I asked the minister a question about the Experimental Lakes Area program. This research project, led by a team of scientists, was the responsibility of Fisheries and Oceans Canada.

As the minister knows, Fisheries and Oceans Canada will no longer be responsible for this project and thus will no longer manage it.

This project is one of a kind. Sixty-three per cent of Canadians support it, more than 25,000 Canadians have signed a petition to save it, and a considerable number of municipalities have passed resolutions and sent letters to that effect to Prime Minister Harper.

Once again, I would like to know why the leader's government is abandoning this research project and the team of scientists. Why will she not transfer it instead to another department?

If Fisheries and Oceans will not or cannot manage this project, why not transfer it to the Department of the Environment, for example?

[English]

**Hon. Marjory LeBreton (Leader of the Government):** Honourable senators, my answer is the same as it has been to several questions regarding the Experimental Lakes Area facility. The decision has been made to end this program as a federal facility.

We have also made other decisions, such as unprecedented new investments in science and technology since 2006. I will give a few examples.

Since 2006, we have invested millions in science to update and refit over a dozen laboratories and by constructing three new science vessels. We have invested in complete ocean mapping for Canada's Law of the Sea submission and in science funding to support emerging commercial fishing in the Arctic. We have also made additional scientific investments to counter threats from aquatic invasive species, as the honourable senator knows.

Honourable senators, the government is ending the federal funding of this particular program, but there are many more programs in the area of scientific research that we have invested in and will continue to invest in to ensure that we have the very best scientific research available.

## ORDERS OF THE DAY

### MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

#### BILL TO AMEND—SECOND READING

**Hon. Elizabeth (Beth) Marshall** moved second reading of Bill C-46, An Act to amend the Members of Parliament Retiring Allowances Act.

She said: Honourable senators, I rise to invite all members of this chamber to support Bill C-46, An Act to amend the Members of Parliament Retiring Allowances Act. As is known, this bill was introduced in the other place last Friday and all parties agreed to move it as quickly as possible and pass it without further debate. The bill is now before us today and I think we all recognize the value and merit of this legislation.

It will result in much-needed pension reform for members of both Houses of Parliament. It will bring our contribution rates more fairly in line with other public sector pension plans and will produce substantial savings for Canadian taxpayers.

Honourable senators, this is a landmark piece of legislation. It proposes changes that will require parliamentarians to pay their fair share of their pension contributions. This has never happened in Canadian history, and it is a change that is long overdue.

It is a change that also underscores our government's strong commitment to keeping taxes low and managing the country's finances in a prudent and responsible way.

• (1430)

During these uncertain economic times, we must ensure the sustainability of our social programs and our fiscal position for generations to come. We must prepare today for the demographic pressures that the Canadian economy will face over the longer term.

It is worth remembering that in 1970 life expectancy was 69 years for men and 76 years for women. Today, it is 79 years for men and 83 years for women. The baby boom generation is also the largest age cohort in history.

Indeed, Canadians are living longer and healthier lives. In addition, many workers wish to work longer and increase their retirement income. Bill C-46 is just one of the steps our government is taking to address these important challenges of our time.

As proposed in the budget implementation bill, Bill C-45, we also plan to change the age of retirement for new public service employees and increase contribution rates for both new and existing public service employees.

Honourable senators, these measures to reform public sector and MP pensions will save taxpayers \$2.6 billion over the next five years. However, more than that, they will contribute to ensuring Canada's sound fiscal position, which continues to stand out as one of the best in the world.

As we all know, Canada has weathered the global recession better than most other industrialized countries. Many factors explain this achievement. They include our solid economic fundamentals and the implementation of the stimulus phase of Canada's Economic Action Plan, which positioned Canada to succeed in a highly competitive global economy.

Since we introduced the Economic Action Plan, Canada has recovered more than all of the output and all of the jobs lost during the recession. In fact, since July 2009, employment has increased by almost 770,000 jobs and is now close to 340,000 above its pre-recession peak. This is the strongest job growth among G7 countries over the recovery.

That said, it is not surprising that both the International Monetary Fund and the Organisation for Economic Co-operation and Development forecasts that Canada will have among the strongest economic growth in the G7 over this year and next. Indeed, the world has noticed our strong performance, and we can all take pride in Canada's strong response to the global recession.

However, Canada cannot rest on this record of success. That is why our Economic Action Plan 2012, released last March, focuses on the drivers of growth and job creation, including innovation, investment, education, skills and communities. Our plan is also underpinned by an ongoing commitment to keep taxes low and return to balanced budgets.

Honourable senators, I am proud to say that our government is on track to return to balanced budgets in the medium term. Not many other countries can say that. We will do it without cutting transfers to Canadians or provinces that support health care and social services, as promised.

Balanced budgets are not important for their own sake but for what they make possible and what they avoid. Reducing the debt frees up tax dollars that would otherwise be absorbed by interest costs. This money can then be reinvested in the things that matter to Canadians, like health care, public services, or lower taxes.

Reducing the debt also strengthens the country's ability to respond to economic shocks, such as the recent global financial crisis and challenges such as our aging population. It signals that we have our act together and that we care about staying prosperous for the future.

Ensuring that we stay on track to balancing the budget has not been easy. Some of the measures we have taken include the following: We put a four-year cap on salary increases in the public service in March 2011 that resulted in annual savings of \$1 billion. We froze the salaries of the Prime Minister, ministers, MPs and senators until 2013. We put a three-year cap on travel and hospitality costs within the public service and strengthened the rules around these activities. We brought an end to voluntary severance for public servants who quit or retire, an entitlement dating back to the 1960s, which will save the government \$500 million annually. We stopped minting the Canadian penny, which cost 1.6 cents to produce.

In the past year, we have undertaken a comprehensive strategic review where we have put billions of dollars of direct program spending under the microscope. It has been a big job that has required all federal departments and agencies to examine every function and activity within their organizations to ensure value for money, including their operations, systems and processes. We have looked at ourselves carefully and asked some tough questions about who we are and what we want to be. It has been hard work, but the effort was well worth it. We have managed to find \$5.2 billion in ongoing annual savings.

Honourable senators, I am sharing this with you today to demonstrate that the bill before us today is not an isolated effort. It is part of the bigger picture. It is one of the many actions our government has taken to ensure the sustainability of public finances and social programs for future generations.

Here are some of the changes in Bill C46. This bill will increase plan member contribution rates in order to bring the share of the current pension plan's service cost of members of Parliament from 14 per cent to 50 per cent. Today, we contribute 7 per cent of our salaries to the pension plan. When we move to a 50:50 cost-sharing ratio, plan members will contribute just over 20 per cent of our salaries. It means that the contribution for a member of the other place will increase from \$11,060 in 2012 to \$38,769 by 2017. In after-tax dollars, this will mean an increase from \$5,930 to just over \$20,000.

As for the contribution of senators, it will increase from just over \$9,000 in 2012 to just over \$32,000 by 2017. In after-tax dollars, it will mean an increase from approximately \$5,000 to just over \$17,000.

Additionally, effective January 1, 2016, the age at which plan members can retire with an unreduced pension will be raised from age 55 to age 65. This means that, starting in 2016, early retirement can be as early as age 55, with a reduction of 1 per cent for each year less than the normal retirement age.

With these changes, the government is expected to save approximately \$29 million by 2017-18.

I can also confirm that the accrual rate will remain the same at 3 per cent and that the maximum pension will be 75 per cent of a member's total average salary.

I know that these are all important changes for us. Pensions provide invaluable income security. They allow us to support ourselves after we retire and even provide financial support to dependants, so the changes proposed in Bill C-46 cannot, and should not, be taken lightly.

At the same time, I think we can all recognize that members should contribute their fair share to their pensions. It is the right thing to do. We have known this for a long time. This is what this legislation will achieve. We cannot delay any longer.

I commend our government for moving so quickly on this reform by introducing Bill C-46 last Friday. I therefore encourage all senators to vote with me in support of this important piece of legislation. In doing so, we will be leading by example.

**Hon. Grant Mitchell:** Honourable senators, I have a few things to say about this bill. If I can start by putting it into some context, I think there is a great deal of concern amongst caucus members on all sides of the other place and even here. I have talked to many Conservative caucus members, both senators and, in particular, members of Parliament, who are deeply concerned about this, and not just in a personal, self-serving way. Actually, quite the contrary, because the people who serve on all sides of both houses — I am aggressive about things from time to time, but the fact of the matter is these are people who are, by and large, pretty much dedicated to what they do and are pretty much prepared make a lot of sacrifices in the process of doing it. We are in politics. We who have been in elected politics know the great deal of stress, strain, pressure and undeniable, unrelenting hard work that is involved in that. These are dedicated people to begin with.

There are bigger issues than just what any given one of us takes home at any given moment in our political careers. There is a bigger issue when we begin to dramatically reduce the take-home pay — and I will talk about members of Parliament because to talk about us would be self-serving — to begin to reduce the take-home pay of members of Parliament by, in this case, about 20 per cent in one fell swoop.

• (1440)

That begins to have a broad-based impact on the nature of the other place, the nature of the people who will be in that place, and the demographics, what they reflect, their ability to remain focused and not distracted and so on.

I would like to address some specific technical, perhaps arcane details about the numbers involved in this, but I also would like for people to keep in mind that there is a broader philosophical context within which this should be debated and that we as senators have a role to play right now. We do not have to rush this. January 2013 is the very earliest we need to pass this legislation, but we need to consider in this place of the hackneyed term “sober second thought” what exactly this means in the short term and particularly in the longer term for the quality of Parliament, for its ability to do its job, for the nature of the public policy process. Even if we voted to accept our changes, we could do something about their changes that would be a great contribution, I think, in the longer term for the quality of Parliament, the quality of politics, the quality of the public policy process and ultimately to how well this country is run.

It is interesting, as an aside, that the honourable senator would announce again how well Canada is doing and then turn around and cut the take-home pay of the people responsible for having done it. I do not know what corporate private sector group would want to cut the pay of people who had done as well as this senator would say. I do not believe that they have done that well, but I am taking her at her word and saying there is that irony.

At a basic level, I am concerned that there is really a lack of understanding amongst many of the people in both these houses, amongst the Treasury Board people we have spoken with, even amongst the people who provided this briefing to the Conservative Party caucus. This is the caucus briefing right here, and it says the government will pay 20 per cent of the Senate pay salary and 20 per cent of the MP salary. If one does the math, it is not 20 per cent but rather 25 per cent. I am just saying, if one looks at the briefing figures, those are not right. One could calculate that \$32,298 is certainly just about 25 per cent of what we are paid, but that is not what they are saying. They say 20 per cent, but that is not the case; it is 25 per cent. The MPs' situation is the same thing: \$38,796 is not 20 per cent. That is 25 per cent of their gross pay. The briefing cannot even get that right.

Then I see, and this is another thing that concerns me, this idea that the government is making quite a bit about the sacrifice the Prime Minister is making. I agree he is taking some cut in pay. He will still be looking at about \$180,000 in pension, which will be considerably more than almost anyone else. The briefing that was received, I would point out, is misleading. It says here that the Prime Minister pays an additional 7 per cent of the salary paid to him as Prime Minister for the special Prime Minister's allowance. I doubt that he is paying an additional 7 per cent, which would mean he would be paying 14 per cent of that. I expect he is paying 7 per cent on his additional pay, just like the Leader of the Government in the Senate is paying 7 per cent, not 14 per cent, on her additional pay as leader, just like every chair and deputy chair who are paying 7 per cent, not 14 per cent, of their additional pay. This is very likely misleading.

Also interesting, when one looks at the formula by which the Prime Minister's special pension will be calculated, read it carefully. Either this is misleading — that is, the people who gave the briefing cannot get it right — or it is disturbing. It says it will be 3 per cent times the number of years in which the Prime Minister held office and times the Prime Minister's salary at the time the payment of the allowance begins.

Let us say the Prime Minister, and this one might well retire before he is 55 — hopefully he retires at the next election — is 55 years old. He will not start his pension allowance until he is 67. Will his 3 per cent times his 20 years, his 60 per cent, whatever it is, be based upon his salary at age 55, when he quits being the Prime Minister, or will it be based upon what the salary will be for the position when he, the retired prime minister, is age 67, what the Prime Minister's then current salary is? No private sector pension gets that. I quit at age 60 and I start collecting my pension let us say at age 65. I was earning \$80,000 a year at 60, but the person in my position when I am 65 and happily retired is now earning \$150,000. I am not getting that percentage of that. I am getting a percentage of \$80,000.

Every member of Parliament and every senator is under the same circumstances. The Prime Minister, however, may not be. He may be getting quite a different deal. It is one of those questions we need to answer. It is quite misleading, and honourable senators are at least being misled. We need to take some time to sort that out and to find out what exactly it is that the Prime Minister will receive, and we need take some time and check the numbers because clearly the numbers in the government's own briefing are internally consistent and absolutely contradictory.

The real impact of this will be on take-home pay. Right now, a member of Parliament's base take-home pay is about \$7,200 a month. After this increase, the base pay will go from \$7,200 — I am sort of doing the inverse of Senator Marshall's figures — to \$5,800 a month. That is, I think, about a 20 per cent reduction in take-home pay overnight. It is going from \$7,200 to \$5,800.

I am not defensive about what is happening to the Senate salary, but I will say it will go from about \$6,800 to about \$5,600. I am imagining a youngish, compared to me, 45-year-old member of Parliament in the other house, of course, at 45 years old with \$5,800 take-home pay, perhaps a mortgage of \$1,500, a child or two in university. Maybe that is costing \$1,000 or \$1,500 a month. Even if honourable senators' children can find a job in these days for summer employment, it is very expensive to send them to university. Now I am at about \$3,000. Looking at Senator Brazeau, he is a young senator. He will have children going to university about this stage in his life, age 45, perhaps, we hope. Now we are at \$3,000. That leaves \$2,800 a month to pay for the heat, light, food, maybe spend a holiday with the family, which has been neglected to some extent because members have been away at least 125 nights a year sitting there, not to mention travel, not to mention the Saturday nights and the Sunday afternoons that are missed because of job requirements representing constituents.

I am not saying that \$5,800 for many Canadians is not a lot of money, but it is not a huge amount of money, and it certainly is difficult for someone at 45 years old, the kind of person one would expect would be desirable as a member of Parliament representing people, to live any kind of quality of life that would reflect the kinds of stress, pressures, responsibilities — Senator Marshall's successes she would argue they have had — in any way, shape or form. I think it behooves us to consider the kind of change that really is.

At a philosophical level, what does that mean? It really means that if one is not rich, one will have a very difficult time sitting in the House of Commons without being distracted because one would have to find a part-time job, do contract work, try to maintain the farm. There are two homes to consider. To some extent, yes, they get covered, but if one is in Ottawa a lot, not all expenses are covered by any means.

One starts to change the nature of the representation that Canadians will get, and I for one would like to see a house that reflects a 45-year-old with a mortgage and a couple of children, maybe one or both of them in university. I would like to see a House of Commons that reflects a 35-year-old who could afford to be here. I would like to see a House of Commons that remains a house of commons and not a house of elites. If one has to survive on \$5,800 — I know; honourable senators can criticize me, saying that is a lot of money. We know most of the people in

this place here are not living on \$5,800 of take-home pay a month. Over there, they will be, and it will be very difficult.

This is difficult to say, and I will be criticized for saying it, I am sure. I am politically vulnerable for saying it, but Western industrialized democracies have made a huge effort to pay their politicians sufficiently well so that corruption becomes a thing of the past. We are all above reproach. All of our MPs are above reproach, but the pressures of not making enough money can become an issue, I am just saying, and that is why it needs to be maintained at a certain level. I see the leader here nodding her head. We could talk about brown paper bags with cash in it, because there is pressure all the time. That is why pay needs absolutely to be adequate.

• (1450)

I am arguing that a 20 per cent cut overnight, from one day to the next, in take-home pay, to \$5,800, does begin to raise questions about the adequacy of compensation.

I also want to argue this: There is a strange irony here. There are people over there or here who would say that this is acceptable, arbitrarily, without debate or consideration, and that we have to cut it all and that is ironic. What it says is that we diminish ourselves. We think, I do not, but ideologically, that the Conservative view is that government sucks, that it is not worth anything, that public servants and politicians can never be as good as the private sector and that we have never played a role in building this country to what it is today.

The fact of the matter is that these are worthy positions and that they are a very high calling. Every time we diminish them, we send the wrong message about that role and about what we do. If they want to reflect very quickly how they diminish it, then just cut people's take-home pay by 20 per cent in one fell swoop.

I do not know why it is that somehow intrinsically the Conservative ideology is that all things government are bad and if you are in it that reflects upon you. However, they sit there happily and seem to run hard to get there.

The other thing to keep in mind in the context of how little this will be to some people, honourable senators, is one cannot opt out. If one gets here and has a mortgage and a couple of kids in university, or one child ends up getting a chance to go to Harvard that one had not anticipated, or the furnace blows up, or the car breaks down and a new one must be bought, one cannot opt out. One cannot stop paying that 25 per cent of one's pay because we are all locked in, period. There is no recourse, no way out. That money is gone. One cannot do anything about it.

One tries to motivate people. One tries to deal with people as a leader and understand, because they are working for that leader. Mr. Harper is their boss. That is what he thinks of those people working in his caucus. How many people would want to work for a boss who thinks that little of them, who would do that to them and their family, jamming it through in 2 hours and 15 minutes? We are going to look at it tonight in committee and finish it tomorrow.

I think we have to consider this in a broader, philosophical way. We have to understand in the Senate that we have a role to protect and to sustain the integrity, the productivity, the efficiency, and the quality of both of these houses. I am talking on behalf of MPs right now because we can play that role and we can defend them without being self-serving.

There are other technical things that I think need to be questioned. These are actuarial, technical considerations. None of us see the inside of this. We do not sit on a board that supervises the actuary. Does anyone know what the actuarial assumptions are for this or how long senators live? We just heard today that the average Canadian's life expectancy is 79 years, or four years after the retirement age for senators. The average senator could pay for this for 25 years. I will give honourable senators an example how the numbers do not add up.

If one starts at 50 and pays \$40,000 a year, give or take, for 25 years, now they are maxed. One gets the 75 per cent and will be entitled to a \$100,000 a year pension. In those 25 years, one will have paid in \$803,000 oneself.

I did get one actuarial assumption. The long-term rate they will put on it is 5.7 per cent, which is lower than what the average return on CPP has been over the last 10 years. One can add that in and calculate it. That senator, over 25 years, will have put in \$803,000. It will work out to something like about \$2.4 million that they will have put in themselves, with earnings at 5.7 per cent. The government will match that. They never have, as a note. That is why, when they say it will save money, it actually will not, because the government has not been spending it, but it will make money for the government.

Even if one takes just what the senator's contribution is and add in the return, it is about \$2.4 million. A senator would have to live to be 99 years old before he or she got back, at \$100,000 a year, the money he or she put in and that would not even have accounted for the money one was making on that pool of money. One would have to probably have to live to be 110. The average Canadian lives to 79: four years. That senator cannot opt out. He or she will be paying \$40,000 a year for 25 years, cannot opt out and has a good chance to live to 79 and make \$400,000 of it back. Way to be. Who is doing the actuarial work on that?

Here is another question raised by actuaries. We are paying the same percentage of our pay as are members of Parliament. They are paying 25 per cent and we will be paying 25 per cent. Yes, they will get a bigger payout per year because they are making more, but it is all proportional.

All of that is equal and yet we hardly ever take our pensions until we are 75. They take their pensions much younger because they do not tend to last as long as we do. They will get, having paid the same proportion, paid out a lot longer, on average, than any senator is. Why are we paying the same proportion? I am just asking. I hope the Senate Conservatives will agree to have the actuarial chief sit before the Senate committee just so we can ask those kinds of questions.

Not only that, the government is saying that we will pay more but we will get the same pension. However, we will not, because they will take CPP out of it. That reduces the cost. That actually

reduces the value of pension that one is buying with one's new 25 per cent pension payment.

Let us just say there is a senator who will get a pension of \$45,000 a year and \$8,000 CPP. Before my 25 per cent would have bought me \$40,000, but now my 25 per cent is buying me \$32,000. I have just had a 20 per cent cut in the value of my pension. It is breathtaking. I cannot believe there was not at least someone who stood in that Conservative caucus to say, "Mr. Harper, wait a minute."

By the way, if one is 60 and has not started taking CPP or QPP — I am not licensed to talk about this — I would just say, "Do the math." One is way better to start early, because one has to live to 83 or 84 or 85 to make it up. Now any senator who is 60 is crazy not to take their CPP before they retire. They are crazy not to take it, because if they wait they will lose it all. If one is 60 and one can get it for 15 years and not wait until one is 71, why would one not take it? It will be discounted at 75.

I am saying that it reduces the cost of the pension by whatever percentage that CPP will be of one's pension. It reduces the cost to the government of that pension. However, one is still paying the same amount.

Not only that, but they have also reduced the cost of the pension, maybe not so relevant to all of us, but to some of us, because they have increased the age from 55 to 65. Over there these people think they are buying the same amount of pension for, they are told, 20 per cent more. They think they are buying the same amount of pension for a 25 per cent increase, but they are not buying the same amount of pension. They are buying an amount of pension less the CPP value and less what it would cost to give them their pensions at 55 instead of 65.

Who is doing the actuarial work on this and why are we being affected in exactly the same way as MPs? We have a completely different set of demographics. We do not live as long after we begin to collect, period. Their caucus sat there and said, "Yes, yes, yes. Let me clap, Mr. Harper. Way to be." They are getting their \$180,000 and getting less pension for more money and seem quite happy to do that. Even if it is not about them, they should be unhappy about what it does to the future of this Parliament, the nature of the people who can be in it and the nature of the people who will make themselves available to do this. I can go on about the political implications of that, but they probably do not want to hear it.

The other thing is the returns assumption. This is one that really is interesting. I do not know because I have not seen it, but Treasury Board says that the assumption to this point has been 10 per cent return. I do not know what the 10 per cent return was on, because we do not have a pool. Our money goes into general revenue and we are paid out of general revenue. The government does not pay anything anywhere. I will get into the prudence of management, because that is debt they are not counting. In their debt is unfunded pension liability.

They are saying they will reduce it to 5.7 per cent long term. I just went and checked on what CPP has done. Last year, CPP did 6.6 per cent. These are pretty tough times. The year before, it did 11.9 per cent, and the year before it did 14.9 per cent.

• (1500)

Over the last 10 years — tough years — it has averaged 5.9 per cent. Somehow, the actuarial chief said, “Let us pick this number, 5.7, and put it there.” People do not understand the relevance of the rate. The relevance of the rate is that, if that pool of funds, which does not exist and should, is making more money, government and pension subscribers have to pay less money into it. It is very relevant. CPP can return 5.9 per cent over 10 years. It can return probably about 10 per cent, on average, over the last three years. We will get 5.7 per cent for the long term. Does anybody know if that will be changed if the returns change? What if the interest rates go to 15 per cent? They will. They always do. There is always a cycle. Will that change, or will it happen on the way? Will we have the political guts?

The other thing I should mention is that the Conservative MPs that I talked to said that the Prime Minister had taken the freeze off of their pay.

I said, “So you will get a 1 per cent raise. How much is that — \$1,500 a year? How much extra are you paying into your pension? I think you are paying into your pension \$28,000 a year extra.” Let us not be bought off by that 1 per cent freeze off our pay nonsense. It will take you 25 years to make it up just for the one year.

I would propose and would hope that perhaps the committee could make an amendment that would say that there should be senator and member of Parliament representation on a board that supervises our pension. It is the only good thing. You may think that you are okay because you have the Conservative government for the next infinite number of years. They are okay and obviously taking really good care of you, and you can trust them. I do not know of many private sector pensions that do not have board members who would be happy about calling in their actuary and firing them if they did not like what they were doing. Yet, we never get to see. I do not even know that this committee will be allowed to call the Chief Actuary. It is breathtaking if we do not, and it needs to be done because we need to find out what assumptions they are making about this pension plan so that we know why we are getting to this point.

I will finish by saying that there is also the question of prudent management. I remember when I was first elected to the Alberta legislature, and they were touting how fiscally prudent they were and how they had no deficit, although that changed very quickly because Conservatives usually get themselves into deficits quickly. I said, “It is funny; you say that you have no deficit, but you have a \$13-billion unfunded pension liability — teachers’ pensions, public service pensions.” For years they had been accruing the liability notationally. They had never put any money into it to cover it. They were putting pension subscribers’ payments into general revenue and paying them out of general revenue.

That is exactly what is happening to your pension right now. We have no pool. We have no one managing money on our behalf. We have no oversight on a pension plan that will secure the future for many people who are not independently wealthy, and you are doing this because it is just good politics, easy good politics. You are bending like a sapling to play that game.

[ Senator Mitchell ]

I am saying that at the very least we need to take time to consider that this is not being prudently managed, that there are fundamental actuarial issues that we need, as people responsible for our families — as responsible people generally — to consider and that there is a broader, greater philosophical issue, which is this: What is the impact of this kind of arbitrary, overnight, precipitous cut in take-home pay for members of Parliament? What will that do to that place and the quality of government that Canadians will enjoy or not enjoy for years to come?

[Translation]

**Hon. Claude Carignan (Deputy Leader of the Government):** Honourable senators, I listened to Senator Mitchell’s comments carefully. He seems to be saying that people will be making less money. But I see it more as a matter of deferring salaries. It is money that is contributed and set aside so that people can receive a pension in the future. This pension, compared to other pensions in Canada, is relatively good. However, we must note that we will fund this pension. The public will not fund it; we, as parliamentarians, will fund it.

The senator seems to be saying that salaries are high in the House of Commons in order to ensure that we have good-quality representatives.

**Senator Mitchell:** That is not what I said.

**Senator Carignan:** He also said that salaries are high so that we get quality candidates running for the House of Commons. The senator’s comments seem to indicate that we could end up with poor representation if the salaries were not as high.

I would like to point out that the salary of most, if not all, representatives in provincial legislative assemblies is less than \$100,000. But in the House of Commons it is \$157,000, which is 50 per cent higher.

Is the senator saying that, even though the members of these legislative assemblies are elected, they do not have the knowledge or abilities required to represent their constituents well?

[English]

**Senator Mitchell:** I was in Alberta in a legislature for a long time, and I know what it is like to make \$32,000 a year when you have three kids. I am not saying that it is too much money. I am saying \$157,000 is probably about right, but that less another \$1,400 a month take home-pay is not right. I think that at least it has consequences.

I just want to mention where this can end up. I meant to use this as an example. I was an adversary of Ralph Klein, the former premier. We fought tooth and nail, as you can imagine. We were always cordial, and we would end up in the gym running together and talking. I have always admired the public servant he was. Ralph Klein was a mayor for a long time and probably did not get much in the way of a pension. He stood up in 1993 and canceled the pension in Alberta to win an election. He won, and he was premier for 14 years. Instead of the pension, they put in a severance package.



I do not agree with a lot of what he did, but I will give him his due: He was a dedicated public servant. He retired with \$600,000. That was taxable, so he ended up with \$400,000. At interest rates today, that is \$14,000 a year, give or take. He has dementia, and who will take care of his wife and his family? Who will do that? He may be okay because he was a premier, and there are people who will look after him.

That is another point about why you need to make decent money in politics and have a decent pension. I do not know how many of you have been through this, but you will find, particularly in opposition but even in government, that ex-politicians are discredited. No matter how good they were, there is a pall over them, and people think that they cannot do very much. It is increasingly difficult for them to get re-established. The Prime Minister will be fine and will make millions of dollars, and probably Mr. Flaherty will be fine because he is the finance minister. However, take a good, young backbench MP like Michael Chong. I could mention all kinds of them. It will become increasingly difficult. It is difficult for them to get re-established. I am not saying pay them too much, but pay them a reasonable amount. If the \$157,000 has been reasonable for your government over the last seven years, I do not know why 20 per cent less take-home pay, all of a sudden, will be an improvement. I think that if that was presented to most Canadians, if the Prime Minister stood up and said, "I have fantastic people working for me and working hard for Canadians, and they deserve to be treated fairly like you Canadians deserve to be treated fairly by your employers," they would accept it instead of, in this derogatory way, always putting politicians down, diminishing the work that the government does. If you said to any Canadian, "We will cut your take home pay 20 per cent overnight," how do you think they would feel about their bosses? How reasonable would they think that was?

You can make your argument in that regard. You probably have some independent wealth; I do not know. You should talk to some of those people over there because I have, and they are deeply disturbed. They are right to be disturbed, not just for themselves but also for what it means for this parliamentary process.

[Translation]

**Senator Carignan:** The Senator indicated that the pension should be significant and of good quality.

He is implying that the pension, as it would be here, would not be enough to give members of Parliament adequate independence and a good retirement.

• (1510)

In spite of these reforms, because they will still get significant benefits, members of Parliament will continue to accumulate 3 per cent of their salary per year of service in the pension fund. Can you name a company in Canada that accumulates 3 per cent a year?

[English]

**Senator Mitchell:** No; but first, I would like to see how many people at a relatively senior executive level, which MPs should be considered to be commensurate with, have an average job in those

companies for six years. That is the average length of time that an MP is in office, so they do not get a huge pension. At six years, they get 18 per cent. Now, they will have to wait some time.

The issue is not how big the pension is, because it will be the same size, but one has to get there from here. One has to get to that pension at 65 years of age now. One will not be able to work that long because very few people will be able to afford it.

I did not say that the pension is inadequate in what it will pay out. It is very adequate, but getting there from here will be a problem if one is taking a reduction in pay of \$1,400 a month. This is a human issue about colleagues, in particular, some of the younger ones. Senator Carignan should talk to them. It is also a human issue about people who can make a choice each day about where they want to be. If they can make \$250,000 and get benefits and stock options, et cetera, then maybe their spouse will say, "You know what? I do not want to have you away from home 125 days a year going to Ottawa and not seeing our kids."

I will tell honourable senators a story about what happened in my life in respect of the sacrifices. I was in politics for 12 years overall as an MLA and the leader for 4 years and I was never home. Three weeks after the election that I led in, I had a little time on a Sunday afternoon and I stood in the backyard. My wife, Teresa, was there and our youngest son, Brady, who was about six years old. He stood beside me and looked not to me but to my wife and said, "Mom, has dad ever been in the backyard?" One Friday night, I came home about 11 p.m. Our middle son, who was seven years old at the time, was just getting up to go to the washroom. He looked down the hall and said, "Dad, what are you doing home tonight?"

This is a human issue. People over there, who are colleagues, will pay a horrible price; and honourable senators say they care about families? Try to raise three kids on \$5,800 a month when one is away 125 nights a year just because one is in Ottawa, not to mention the nights one is travelling half way around these huge ridings. Think about that.

Politics are played all the time. We senators could stand back and say, "Okay; we will take our cuts. We will pay more." I am happy to do it so that no one can say that we are self-interested. We should stand up in this chamber and say that we are not going to watch that happen to our colleagues and make it impossible for many very good people to want to serve, to do it in any way, shape or form that is reasonable and does not create enormous stress and pressure on them and their families. This is the challenge.

The other side can be smart about it and play debating points — go ahead. However, this is not about that. For once, we should rise above that stuff. We should say that we will do what is right for the parliamentary system, not for us personally but for our colleagues who work so hard and see so little of their young kids, and for the future of this place and the country. Put this in perspective, honourable senators, because this is serious stuff about people's lives.

**Hon. George J. Furey:** Honourable senators, I want to thank Senator Marshall and Senator Mitchell for their comments, as they were very helpful.

Just to be clear, I am not sure I heard the Honourable Senator Mitchell correctly when he talked about the Canada Pension Plan. Did he say that Canada Pension Plan monies will not be clawed back in the traditional sense, but that the actual pension will be reduced by similar amounts? Can he explain that?

**Senator Mitchell:** Yes. You are paying for a pension. Let us say you are in office for 10 years and retire at the age of 60. At that point, you will receive 30 per cent of \$132,000, which is about \$39,000 a year. You have paid for that. You have also been paying \$2,300 to \$2,400 a year for your CPP. You have paid for that, too.

Come your retirement, you will not be paid \$39,000 a year. You will be paid \$32,000 a year out of this pension and \$8,000 a year out of your CPP. Instead of receiving \$48,000, you will receive \$40,000. The numbers are: 10 years, 3 per cent, and 30 per cent of \$130,000. That means you will have bought yourself a pension of \$39,000 that you will receive at 65 and a CPP benefit of about \$8,000 if you started your contributions early. Instead of receiving \$48,000, which you have been counting on, you will receive \$32,000. As well, you will pay 25 per cent into the pension instead of 7 per cent — a huge increase — and will have a 20 per cent reduction in your retirement income.

**Senator Furey:** Honourable senators, I found that a tad confusing. Let me see if I have it right.

If I am receiving \$40,000 in pension payments and \$8,000 in Canada Pension payments. With this new change, my \$40,000 will be reduced to \$32,000. At the end of the day, I will still receive \$40,000 with the benefit of the Canada Pension Plan, which I paid into all my life. Is that correct?

**Senator Mitchell:** Absolutely. It will not happen to Senator Carignan until after 2016. For everything after 2016, that is when it will happen.

If one is here for another 20 years, it will impact one; and it is not fair or right. We bought our share of CPP. Last year, the fund made 11 per cent, so they are carrying themselves, thanks to former Finance Minister Paul Martin who got it back on track after Mr. Mulroney screwed it up. We own that, and now the government will take it away from us and these next people. It is not right or fair. I do not think many people over there understood that that would happen. The same thing can be said about the reduction in costs that they are saving by going from 55 years of age to 65 years of age, which our pension will still be paying.

**Hon. Roméo Antonius Dallaire:** Honourable senators, there is a kind of grandfather clause for people pre-2016, which we acknowledge. People post-2016 will be hit by these changes. Will we go through a similar debate with Bill C-45 regarding the public service, the Canadian Forces and the RCMP?

Those who have been serving in combat for the last 10 years, still have another 20 years to serve, if they stay alive. When they come back home, they will see over the next five years a potential

pay reduction of 20 per cent from the same government that says they love our forces, protect them, equip them and do all kinds of great things for them. Those veterans who will be the longest serving — the young guys who fought, not the older chaps who will not be so affected — will be eating this massive cut over the next five years as a thank you on their return home from serving overseas. Is that correct?

• (1520)

**Senator Mitchell:** That is absolutely correct. We are not sure because we have not seen exactly how much the take-home pay of a corporal, sergeant, captain or general will be reduced because their pension payments will go up. Imagine having just returned from Afghanistan, perhaps with PTSD or otherwise injured, having given your all for your country, and learning that the government is going to cut your pay.

We should review that in the Defence Committee with the help of actuaries. I would like to put that on the agenda.

**Senator Dallaire:** As the ADM in National Defence when I was a three-star general, I was the deputy chair of our superannuation group, and we took decisions on where pensions were going. I cannot imagine having DND under a pension plan on which they have absolutely no say, that Treasury Board would be running it, really for the government and not for the soldiers. Is that what is happening?

**Senator Mitchell:** That is correct. Even more disconcerting, it was clear that the good people we heard from in Treasury Board had not anticipated many of our questions. That is disconcerting given that they are the ones running our pensions.

I suppose they got these figures in their briefing note from Treasury Board, but they are wrong. They cannot even figure out what \$38,000 is of \$157,000, and that is who is managing our pensions. We need to restructure this in a business-like fashion; we need to have money put aside; and we need a board with representation from both us and them.

**Hon. Percy E. Downe:** Is it the view of Senator Mitchell that if the government wanted to save money it would allow an opting-out clause? If we are not in, that would be an additional saving.

**Senator Mitchell:** That is an interesting point. If we pay more money, it will just go into general revenue, which is saving some money in a sense, but they would never put the money up. Whatever we pay does not save the government money because it never paid the money anyway.

If one could opt out, that would save money because there would be no government obligation. The problem with opting out is that it puts politicians in a terrible fix. Some will want to opt out, especially the ones with money, and those who do not have money will be very vulnerable politically. It opens the door to playing games over pay and benefits for politicians, which is the most destructive game that can be played, and it is played day in and day out across this country, and it is being played right, because we cannot defend ourselves.

However, the Senate can do this for members of Parliament. We can accept the changes for ourselves and not be self-serving, but we can do what is right for the MPs.

**Senator Downe:** The Deputy Leader of the Government asked about the 3 per cent accrual rate on the pension. Deputy ministers currently receive 4 per cent. Does the honourable senator know whether that will be changed?

**Senator Mitchell:** A deputy minister who has been in the government for 25 years and has been a deputy minister for 10 years will get 90 per cent of their pay. They get two times the benefit recognition for their time as deputy minister. Again, that is done because the government has to attract good people. They have not been able to pay those people the \$400,000, \$500,000, \$600,000 or more that they could earn in the private sector, so they find a way to compensate them that is not as provocative as giving them higher pay. To some extent, that is how pensions have evolved for members of Parliament as well.

I do not want to attack a public servant's pension because they can often earn a lot more money elsewhere, and we need really good people in there, although the government often discredits them and hires a deputy minister of the environment who does not know about climate change, but generally they have been very good and effective.

**The Hon. the Speaker:** Is Senator Mitchell asking for five more minutes?

**Senator Mitchell:** Yes.

**Hon. Patrick Brazeau:** Senator Mitchell talked about family values with regard to this legislation. Obviously this legislation will affect me as a Canadian citizen and as a father. He told personal stories about his children. I understand that because I take care of a first-line hockey team, which is not in lockout, so I understand some of the effects this might have.

Keeping with family values, Senator Mitchell said that this may affect members of Parliament and others due to a \$1,400-a-month reduction in pay. He seems to be suggesting, and he can correct me if I am wrong, that if people get less pay they will spend less time with their families. I can tell you that whether I get \$2,000 less or \$5,000 less on my pay I will spend the same amount of time with my family, because that is a Conservative principle.

Can the senator vouch for that or was his speech just the typical Liberal rhetoric of entitlements?

**Senator Mitchell:** I will not dignify that with a response. I am talking about the reality of this. Senator Brazeau should consider the reality for the people in the other place, many of whom are under great pressure. Perhaps Senator Brazeau does not feel that pressure because he does not seem to be around here that often. He has a poor attendance record, but if somebody takes the job seriously and wants to —

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

**Senator Mitchell:** He opened it up.

They are whipped for votes. They spend 125 days a year here, give or take, which is a lot of time away from their families. I am just saying that is something that people take into consideration when they decide whether to come here. Maybe they will not be able to afford a holiday with their family whom they have not seen for 125 nights. You can make your debating points, but consider the human costs of this. The senator probably knows quite a lot about that.

**Hon. Joseph A. Day:** Honourable senators, I had not intended to speak and will not speak long, but I want to make the point on the record that this bill, as Senator Marshall indicated during her remarks, for which I thank her, was introduced in the House of Commons on Friday. It went through the House of Commons and arrived here yesterday. Under our rules we would normally have second reading two days hence, but we are dealing with it today. Pursuant to our normal rules we would not normally have heard any of this debate today, but this side is cooperating with that side and the executive branch which seems, for some reason, to be pushing very hard to have this bill dealt with quickly.

We would like the record to show that we have cooperated fully. I have been working very hard trying to line up witnesses who, like us, have only seen this bill for the last two days. It is hard to find a witness who can tell us the impact of this legislation on an existing pension plan.

Honourable senators, I assure you that we are working diligently on this matter at the Finance Committee. We will be starting our hearings on Bill C-46 this evening. After hearing the very well prepared and well delivered presentation of Senator Mitchell, if senators have any questions, particularly about the delicate question of the clawback of CPP, please let any member of the Finance Committee know in order to assist us in selecting witnesses as quickly as possible to deal with this matter.

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

**Hon. Senators:** Question.

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

**Hon. Senators:** Agreed.

(Motion agreed to and bill read second time.)

REFERRED TO COMMITTEE

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

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

• (1530)

## EMPLOYMENT INSURANCE ACT

### BILL TO AMEND—SECOND READING

On the Order:

Resuming debate on the motion of the Honourable Senator Boisvenu, seconded by the Honourable Senator Marshall, for the second reading of Bill C-316, An Act to amend the Employment Insurance Act (incarceration).

**Hon. Hugh Segal:** Honourable senators, I rise today to speak to the private member's bill, Bill C-316. I very much respect the right of any member of Parliament to introduce a bill into the other place, and if such a bill passes and reaches the Senate, I also believe it is our duty to give it due reflection and debate.

[Translation]

I have the utmost respect for the bill's sponsor, Senator Boisvenu, who always makes an enormous contribution to justice for victims and public protection.

[English]

I have read the bill. I read the sponsor's speech in its support, and I listened carefully to Senator Eggleton last week on the matter. I have given it due reflection, and I am of the opinion that this bill serves little purpose except to doubly punish an individual who commits an offence, pays their dues of serving usually less than two years, and upon release is then unable to access the benefits for which he or she was deemed qualified and eligible before their term of short incarceration, as an individual who paid into the Employment Insurance program when they were employed before that activity was interrupted by their difficulty with the law.

Who are we talking about here, honourable senators? Often these are people who have failed to pay fines; they have perhaps tried to cash a bogus cheque. Perhaps they shoplifted from a supermarket or were picked up drunk and disorderly. These are not drug kingpins, nor are they hardened, violent criminals. They are very often — it is not a surprise — possibly struggling with poverty or literacy, unable to provide for themselves and their families, and they are usually poor. As senators in this chamber will know, 90 per cent of those who occupy provincial and federal institutions as guests of Her Majesty, in the correctional sense, come from the 10 per cent of the population who live beneath the poverty line in this country. Let us be clear about whom this bill would punish most directly.

I am not excusing the behaviour that puts someone in jail, even for a short period of time, but frankly, if we are offering rehabilitation in our maximum-security and medium-security prisons — as we should be — why are we imposing such draconian restraints on people who were actually in the labour force long enough to qualify for EI benefits before their unfortunate encounter with the authorities?

I accept the premise that if you commit the crime, you should do the time.

Whatever happened to compassion, honourable senators? When did we decide that when people enter our penal institutions it is our job to make their lives as difficult as possible within that frame of reference? Their freedom has been taken away through due process. It may in fact be appropriate. They have been sentenced to a period of time in many provincial institutions — provincial institutions where people are serving two years less a day or they are in on remand. They are triple bunked, honourable senators, in a 400-square-foot piece of real estate.

To the extent they were working people who paid into the Employment Insurance program and those benefits are still accruing to their families for their short period of incarceration or when they come out, as beneficiaries they have the right to get access to some training programs or other institutional help that will allow them to get back into the labour force, this bill would say: No, no; we do not have that kind of kindness or decency in our hearts anymore as Canadians. We are not prepared to do that.

Honourable senators, there was a notion that an individual who was found guilty of let us say a non-violent crime, a more serious misdemeanour, actually paid their dues, did their time and got on with their life. This is not a reckless notion. This is not a notion that spreads disorder across our society. It is one that says face due process, face the responsibility for the crime you have committed, but then get out and begin your life anew. There are organizations like the John Howard Society, the Elizabeth Fry Society and others that are there for that specific reason.

Do honourable senators know that in many of our provinces, in our jurisdictions provincially, the local community and social services ministry, run by the provinces, have something called harm reduction officers? If one happens to live in a city that has a plethora of prisons, as we do in the sovereign city of Kingston, most of the work they do is to try to help people who leave institutions to get their life going again. Sometimes that means a meal or two as they look for work. Sometimes that means helping them get in shape to find work. The fact that we would rip away Employment Insurance payments for the brief period they are available and the relatively modest amounts that they provide is just another way of the state saying, "You do not get to rebuild your life, ever. You do not get to do your time, pay your fine, pay your debt so society, and move on."

Honourable senators, however well-intentioned this piece of legislation may be in terms of fairness to law-abiding people outside of prison who are not eligible for Employment Insurance, it is not the fault of the people who are in those institutions that the cuts that began in the mid-1990s have reduced the amount of Canadians who are out of work and are eligible for Employment Insurance by 40 per cent. That is not the fault of a young person who is guilty of a misdemeanour or non-violent and non-serious crime today.

Honourable senators, I will not stand in the way of this bill going forward to committee for careful analysis and hearing. I hope that, before that committee, senators would give some consideration to amendments that will protect the non-violent criminal and make sure they continue during their brief period of time as a guest of Her Majesty to get measures of financial

support from programs to which they have paid and contributed, as did their employer, and for which they are eligible so they can continue to be part of our society when they leave, having paid their dues, and become part of the broader community.

**Hon. Grant Mitchell:** That was a very enlightened analysis of that bill by Senator Segal, and I applaud him for it. I was taken by the honourable senator's point — a powerful one — that many people incarcerated at any given time, especially at the provincial level, are there for not paying a fine or for financial crimes; I guess many crimes are.

I understand, and I have not checked these statistics for some time, that disproportionately women are often incarcerated because of those kinds of crimes. They cannot pay a fine; they are prostitutes because they are reduced to that for trying to create a living. I wonder if the honourable senator considered that in his research for this speech and would address it.

• (1540)

I also think it is interesting and that it would be relevant to consider in this context that no matter where a woman is, in a jail or elsewhere, she tends to have the greater responsibility for raising children. Often they will be single mothers. Again, it is a disproportionate burden if that small income from EI is now retracted from these mothers and their children. I just make those points; if the honourable senator would like to comment, that would be great.

**Senator Segal:** Senator Mitchell is correct that often people involved in that level of minor crime are single women. We know that the largest single group amongst those who live beneath the poverty line are single mothers who, in fact, face some of those difficult choices on an ongoing basis.

We should also be frank in this chamber today that a large number of people who are in jail for those kinds of circumstances are our Aboriginal brothers and sisters, and in fact for a population that is 3 to 5 per cent or less, depending on how you count the population in different parts of Canada, the overrepresentation of our First Nations in our penal institutions, federal and provincial, is, in my view, a national embarrassment.

[Translation]

**Hon. Céline Hervieux-Payette:** Honourable senators, I commend my colleague for taking the right approach with this issue. He wonders what the government is trying to accomplish. Do developed western countries generally send people to prison and strip them of their rights? What will be the consequences for 18- 25-year olds, who often find themselves in this situation?

We spoke about women earlier. We spoke about Aboriginal peoples. I ask the question on behalf of young people who are just starting out in the work world at a time when the economy is not creating an abundance of jobs. There may be a shortage of workers for certain specialized businesses. But for young people with little professional training, or with other problems, does treating them this way as they start their life really solve the problem?

**Senator Segal:** Honourable senators, I thank the senator for her question. One of the major changes to the makeup of Canada's poor that has taken place in the past ten years is that, for the first time, young people account for a significant proportion of the poor.

Around 1975, we introduced a guaranteed income for seniors because many seniors were living in difficult circumstances. At the time, the number of poor seniors dropped from 30 per cent to 3 per cent when this new guarantee was introduced for veterans and Canadian seniors.

Within the past ten years, two groups have moved into the ranks of the poor for the first time: young people under 27 and many immigrants to Canada. In Canada's history, first-generation immigrants to Canada have generally done better than their Canadian neighbours. Nowadays, many new immigrants from certain countries, including young immigrants, have serious problems. More members of the general population are among the poor than before.

This shows how a punitive policy like the one that appears in this legislation will create another financial penalty for young people who have problems with the police and who want to get their lives back on track. We are only making things more difficult for them, and this is a mistake for Canadian public policy.

**Hon. Pierre-Hugues Boisvenu:** Honourable senators, I first wish to thank Senator Segal, for giving me an opportunity to enlighten you regarding the profile of the kinds of criminals who are in jails, that is, those serving sentences less than two years in length. It is a myth that only people who failed to pay their speeding tickets or other small-time young offenders are in jails. The characteristics of provincial jails in Canada have changed drastically over the past ten years.

The first group of criminals that can be found in provincial jails are members of street gangs: nearly one-third are from this group. Another third are sexual predators. There are four times more sexual predators in provincial jails, proportionately, than in federal penitentiaries, because our sentences for these types of crimes are still less than two years. The third kind of criminals found in these jails are those who commit home invasions, or the theft and sale of cars.

To believe that some poor guy who has not paid his speeding tickets will end up in jail is simply misguided. People like that no longer go to jail; they perform community service. These are not small-time reprobates who get in trouble with the police on the weekend because they had one too many beers. That is not who you will find in provincial jails; rather, you will find a very tough group of criminals.

To learn about prison stays in Quebec, for example, honourable senators can consult *Les portes tournantes* by Yves Thériault. An offender will end up in a Quebec prison eight times. The poorest members of society are not on employment insurance; they are on welfare and lose none of their entitlements.

I respect the sympathy that the honourable senator has for people in need. However, the Employment Insurance Act is based on eligibility, and eligibility is based on a specific period of

52 weeks. It is based on a person's availability for work. If a person is not available for work, then he cannot earn credits and cannot receive employment insurance benefits.

How can we tell honest Canadian workers who pay taxes and who lose their jobs that they are not eligible for benefits because the qualifying period is only 52 weeks long and then give benefits to people who committed a crime and excluded themselves from the system —

**The Hon. the Speaker:** Is it agreed, honourable senators, that Senator Segal be granted five more minutes?

**Hon. Senators:** Agreed.

**Senator Boisvenu:** How can we explain to honest Canadian citizens and workers that we are going to grant a privilege to people who voluntarily excluded themselves from the labour market, a privilege that is not extended to people who will never go to prison and who choose to be honest, law-abiding people?

What would you tell those people who do not understand why criminals are being granted a privilege that honest people are not?

[English]

**Senator Segal:** I thank the honourable senator for the question. With his permission, I will respond in English so as to be precise in my choice of words. First, the notion that being in prison constitutes a decision by the prisoner to voluntarily exclude himself from the employment market strikes me, if I may say so, with respect, as a bit of a stretch.

Second, I take note with great respect of the groups that the honourable senator has indicated are to be found more in our prisons today than might have been the case in the past. This is a bill that deals with amendments to the Employment Insurance Act. If there are a lot of members of street gangs who are contributing to Employment Insurance as we speak, with employer support, then that might produce a disproportionate and perverse outcome from the context that I have shared with honourable senators in this place, but as I suspect it is unlikely that many members of street gangs are contributors to the Employment Insurance fund, their circumstance is unaffected by this bill. The kind of folks who will be affected by this bill — people who are working, contributing, whose employer was contributing — who then found themselves in prison for a period of time and hence, based on this bill, would not retain the eligibility for which they had contributed and been eligible until that moment, in my view — and we will disagree on this — that is a principle that is offensive to the notion of John Diefenbaker and his Progressive Conservative government, and the Honourable Mike Starr, Minister of Labour, who wanted to maintain a balance so that, even for those in the most desperate circumstances, whom the law has incarcerated, their chance to rebuild their lives is not thrown out the window.

• (1550)

[Translation]

**Senator Boisvenu:** Honourable senators, I have one final question for Senator Segal. What will the senator say to the honest workers who pay taxes, who lose their job and who are not entitled to employment insurance because their qualifying period

is 52 weeks, when people who were out of the labour market have a 104-week qualifying period?

What will he tell workers who are struggling, who will look to employment insurance and who will be told that they are not entitled because their 52-week qualifying period is not complete, when criminals get 104 weeks?

[English]

**Senator Segal:** My answer to those people would be that their eligibility issues and access, which might be problematic and should be addressed in other public policy ways, will not be helped by hurting the prospects of other Canadians. That is what I would say to them. This is not about being nasty to others because your own circumstance is difficult.

Whatever happened to compassion? Whatever happened to believing we are all in this together? Whatever happened to believing that when people are at the worst, most difficult part of their lives, we want to give them a staircase up? That used to be the Canadian way. It is still the Canadian way.

Many of the people that the honourable senator is concerned about — with great compassion and genuine feeling — who are not eligible for Employment Insurance because the rules have been changed might not take the position that their frustration is made better by hurting people guilty of very insignificant crimes — people who find themselves in prison for a short period of time; they might not feel that being tougher on other people makes their lives better.

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

**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?

**Some Hon. Senators:** Agreed.

**An Hon. Senator:** On division.

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

REFERRED TO COMMITTEE

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

(On motion of Senator Carignan, bill referred to the Standing Senate Committee on Social Affairs, Science and Technology.)

[ Senator Boisvenu ]

[Translation]

## FEDERAL FRAMEWORK FOR SUICIDE PREVENTION BILL

### SECOND READING—ORDER STANDS

On the Order:

Resuming debate on the motion of the Honourable Senator Ataullahjan, seconded by the Honourable Senator Braley, for the second reading of Bill C-300, An Act respecting a Federal Framework for Suicide Prevention.

**Hon. Claudette Tardif (Deputy Leader of the Opposition):** Honourable senators, I know that Senator Dallaire wanted to participate in the debate today. There is very little time remaining, but I want to ensure that we save the 45 minutes for the critic of the bill, Senator Dawson.

**Hon. Roméo Antonius Dallaire:** Honourable senators, Senator Tardif is correct and I would like to participate in the debate, but I would like to postpone this opportunity until I return next week.

**The Hon. the Speaker:** To clarify, Bill C-300 will continue to stand adjourned in the name of Senator Dawson, who is the critic of the bill and who has 45 minutes, but senators agree that Senator Dallaire has the right to speak to this debate.

(Order stands.)

## LITERACY

### INQUIRY—DEBATE

On the Order:

Resuming debate on the inquiry of the Honourable Senator Callbeck, calling the attention of the Senate to the importance of literacy, given that more than ever Canada requires increased knowledge and skills in order to maintain its global competitiveness and to increase its ability to respond to changing labour markets.

**Hon. Jacques Demers:** Honourable senators, I rise today to speak about a subject that is dear to my heart and that is literacy in Canada.

September 8 was International Literacy Day, which reminds us of the importance of literacy for individuals and organizations throughout the world.

[English]

On September 21, Canadians celebrated Essential Skills Day, which is held during Life Literacy Month. This is a day that provides nationwide awareness of the nine essential skills recognized by the Government of Canada.

[Translation]

It is unacceptable that, in 2012, many Canadians continue to face challenges in their everyday lives because of literacy issues. Over 42 per cent of Canadians between the ages of 16 and 65 do not have the minimum literacy skills they need to cope with everyday life and work.

[English]

We need to start creating awareness. Attention must be brought to the importance of education, mainly the education of our youth.

With an aging population, it could affect many aspects of Canadians' lives in the long run if changes are not made. This is why it is important that we continue to focus on the youth of today as they are our future.

Honourable senators, this issue must be addressed. Literacy affects aspects of Canadian life from health, property, the workplace and even the justice system. This is a problem. Almost 17 per cent of Aboriginal people age 15 to 49 have no formal schooling and between 40 and 50 per cent of people speak their Aboriginal language but do not read.

[Translation]

In Quebec, there are approximately 500,000 people aged 16 to 65 with very limited literacy, document literacy and numeracy skills. This needs to be addressed; we can no longer sit back and watch this happen.

Another important issue surrounding literacy is school drop-out rates, which are often related to difficulties involving literacy and numeracy skills. Although drop-out rates have declined slightly over the past few years, they are still high in some regions. We need to find solutions to resolve this ongoing problem in Canadian society.

[English]

Many are aware that I myself have struggled with literacy in the past. I am also proof that anyone can successfully overcome this obstacle.

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

**Senator Demers:** Thank you, honourable senators. I am very passionate when it comes to the cause. Everything done has to be for that benefit. Our society is full of promising young men and women. We cannot give up on them.

[Translation]

Honourable senators, I am familiar with previous efforts to promote literacy. We must persevere and stay the course. It is up to us to raise awareness in every province and territory. We must continue to recognize and support literacy programs and services, and this must be a priority. Many Canadians, young and old, are capable of learning and have the perseverance to do so.

Let us help them reach their potential.

[*English*]

I would also like to take a moment to thank the Minister of Human Resources and Skills Development, the Honourable Diane Finley, and Senator Callbeck, who have been a great support — I really appreciate — their efforts and dedication surrounding the issue of literacy in Canadian society.

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

#### **BUSINESS OF THE SENATE**

**The Hon. the Speaker:** Honourable senators, it now being four o'clock, and pursuant to the order adopted by the Senate on October 18, 2011, I declare the Senate continued until Thursday, October 25, 2012 at 1:30 p.m., the Senate so decreeing.

(The Senate adjourned to Thursday, October 25, 2012, at 1:30 p.m.)

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